



# 2008

Annual and Charity Report

**LINX™**

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## Internet Watch Foundation

### Mission

To work in partnership with internet service providers, telecommunications companies, mobile operators, software providers, the police, government and the public to minimise the availability of online illegal content, particularly child sexual abuse images.

### Vision

Combating child sexual abuse images online.

### Remit

To minimise the availability of potentially illegal internet content specifically:

- Images of child sexual abuse hosted anywhere in the world
- Criminally obscene content hosted in the UK
- Incitement to racial hatred content hosted in the UK.

### Role

To foster trust and confidence in the Internet among current and future fixed and mobile internet users by:

- Operating a hotline to enable the public to report instances of potentially illegal child sexual abuse images hosted anywhere in the world and criminally obscene and incitement to racial hatred content hosted in the UK, for example via websites, newsgroups, mobile services or other online services
- Promoting wider education and awareness of its functions and role and those of other key players such as government departments, law enforcement and consumer bodies.

To assist service providers to combat the abuse of their systems for the dissemination of criminal content by:

- Operating a 'notice and take-down' service to alert hosting service providers of criminal content found on their servers
- Recommending that internet service providers should not carry certain newsgroups in accordance with policy guidelines adopted by the IWF Board
- Acting as a relevant authority in accordance with the Memorandum of Understanding concerning Section 46 Sexual Offences Act 2003.

To assist law enforcement in the fight against criminal content on the internet by:

- Combating the dissemination on the internet of potentially illegal content, that is, sexually abusive images of children and criminally obscene and incitement to racial hatred content
- Passing details of reports relating to potentially illegal child sexual abuse images hosted on servers outside the UK to the relevant national hotline and appropriate law enforcement agency
- Working closely with the police, lending its expertise to help trace the individuals responsible for such criminal activity online.

“The European Commission’s Safer Internet programme has supported the Internet Watch Foundation continuously since 2000, as one of the most active members of the INHOPE network of hotlines co-funded by the programme. This network offers precisely the integrated approach that is so needed in fighting against child sexual abuse material.

“The IWF should be commended for its effective self-regulatory model and successful engagement in the online sector. This approach has made it a frontrunner in Europe and internationally in this field, and I am pleased their expertise and experience is helping to promote similar success amongst INHOPE network.”

**Viviane Reding, Member of the European Commission responsible for Information Society and Media.**





“I am very proud to have played a part in the development of the IWF and the important and difficult work it carries out on behalf of its industry members and the UK public. My overriding impression of the organisation is the positive impact it has had on the international development of responses to combat illegal online content, whilst always maintaining the high standards it has set here in the UK.”

Amanda Jordan OBE, Chair

### From the Chair, Amanda Jordan OBE

Welcome to the Internet Watch Foundation (IWF) 2008 Annual Report. This has been my third year leading the IWF Board and, sadly, it is my last as I come to the end of my term.

Of all the challenges and developments during my time in office I believe the most important was the review and subsequent implementation of new governance arrangements for the IWF Board and Funding Council. As a consequence, the role and authority of the Board have been strengthened and the positive relationships the Board have with our Funding Council have been consolidated. We have created three new Board committees to provide support and challenge to IWF staff and have been very fortunate in recruiting four new and experienced independent Board members who have played an active part in our deliberations. We remain committed to sharing our experience and expertise wherever relevant and beneficial to society, both in the UK and abroad.

Internet criminality is a truly international issue which only global solutions can address therefore the IWF's role in sharing the UK's partnership approach has been extremely important. IWF is in a strong position to contribute to the wider public policy debate about internet safety and self-regulation on both the global and the UK stage. I am delighted that we were able to contribute to the House of Commons Culture, Media and Sport Committee inquiry into harmful content on the internet and in video games as well as the Byron Review which in turn led to the establishment of the UK Council for Child Internet Safety. As increasing attention is focused on internet safety I am confident that the IWF's experience and expertise will continue to be sought.

Thank you to LINX again this year for their ongoing support of our annual report publication. The diversity of our industry membership is at the core of our success and I am proud of the way IWF's member companies have cooperated with the ongoing challenges that self-regulation brings with it. The fact over ninety companies unite to support our work is impressive. Together, we have delivered a responsive alternative to legislative reform. This partnership is testament to IWF's robust governance and consultation structures as well as the industry's dedication to meeting good practice regulatory standards.

I wish the new independent Chair every success and will continue to watch the IWF's progress with interest.

## About us

We were established in 1996 by the UK internet industry to provide the UK internet hotline for the public and IT professionals to report potentially illegal online content within our remit and to be the 'notice and take-down' body for this content. We work in partnership with the online industry, law enforcement, government, the education sector, charities, international partners and the public to minimise the availability of this content, specifically, child sexual abuse content hosted anywhere in the world and criminally obscene and incitement to racial hatred content hosted in the UK.

We are an independent self-regulatory body, funded by the EU and the wider online industry, including internet service providers, mobile operators and manufacturers, content service providers, filtering companies, search providers, trade associations and the financial sector as well as other organisations that support us for corporate social responsibility reasons.

We work with UK government to influence initiatives developed to combat online abuse and this dialogue goes beyond the UK and Europe to ensure greater awareness of global issues, trends and responsibilities. We work internationally with INHOPE and other relevant authorities and organisations to encourage wider adoption of good practice in combating online child sexual abuse content and to promote inclusive and united global responses to this dynamic, cross-border criminality.

We help internet service providers and hosting companies to combat abuse of their networks through our national 'notice and take-down' service which alerts them to potentially illegal content within our remit on their systems and we provide unique data to law enforcement partners in the UK and abroad to assist investigations into the distributors of potentially illegal online content. As a result of this partnership approach, less than 1% of child sexual abuse content, known to the IWF, has apparently been hosted in the UK since 2003, down from 18% in 1997.

We strive to create continued awareness of our role and purpose and aim to foster trust and reassurance in the internet for current and future users. Our self-regulatory partnership approach is widely recognised as a model of good practice in combating the abuse of technology for the dissemination of illegal content.

## Services to members

### URL List

Our 'notice and take-down' service is for UK-hosted content only and as indecent images of children are primarily hosted abroad, we facilitate the industry-led initiative to protect users from inadvertent exposure to this content through our provision of a dynamic list of URLs.

As a result of this voluntary initiative it is possible to:

- Reduce the occasions when innocent internet users might be exposed to unlawful images
- Diminish the re-victimisation of children by restricting opportunities to view their sexual abuse
- Disrupt the accessibility of such content to those who may seek it out
- Disrupt the supply of such content for commercial gain by criminal organisations.

### Keywords

We provide a list of words and phrases to search providers to improve the quality of search returns and to be used in software monitoring applications to flag up potential abuses.

### Newsgroups

Our hotline team has a systematic process for monitoring the content of newsgroups and for notifying ISPs of those groups which regularly contain or advertise the availability of child sexual abuse content.

### Best Practice Guide

We provide a Best Practice Guide to handling potentially illegal indecent images of children; a valuable reference document for IT and HR professionals to ensure company policies and procedures are consistent with the Protection of Children Act 1978 and the Sexual Offences Act 2003.

# Governance

## Board

The Internet Watch Foundation is governed by a Board of ten Trustees, consisting of an Independent Chair, six non-industry representatives and three industry representatives. The Board elect two Vice-Chairs, one from the industry Trustees and one from the non-industry Trustees.

Non-industry Board Members are chosen by an open selection procedure following advertisements in the national press and serve three-year terms. Industry Board Members are elected by our Funding Council of industry member representatives and serve three-year terms. No Trustee may serve more than six years.

The Board monitor, review and direct the IWF's remit, strategy, policy and budget to enable the IWF to achieve its objectives. All IWF policies are subject to approval by the independent Board of Trustees.

IWF discharges its responsibilities through a robust governance structure which includes Board Executive, Audit Committee and Communications Committee plus a Remuneration Sub-committee. Each of the committees reports to Board. We continue to review and improve our governance and during 2008 we revised our constitutional documents in accordance with the provisions in the Companies and Charities Acts 2006.



**Amanda Jordan OBE**  
Chair



**Emma Ascroft**  
Vice-Chair



**Hamish MacLeod**  
Vice-Chair



**Professor Ian Walden**  
Vice-Chair

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### CHAIR

#### **Amanda Jordan OBE, Chair**

Amanda Jordan served as independent Chair of the IWF Board from January 2006 to December 2008.

Amanda is joint Chair of Corporate Citizenship, a corporate social responsibility consulting business.

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### VICE-CHAIRS

#### **Emma Ascroft, Vice-Chair, Industry**

Emma Ascroft was elected to return as an Industry Board Member in January 2007 and became a Vice-Chair in May 2008.

Emma is Director of Public and Social Policy at Yahoo! UK & Ireland.

#### **Hamish MacLeod, Vice-Chair, Industry**

Hamish MacLeod was elected as an Industry Board Member in April 2004 and was a Vice-Chair until April 2008.

Since 2002 Hamish has coordinated the Mobile Broadband Group, a grouping formed by the five mobile network operators in the UK to work jointly on public policy issues.

#### **Professor Ian Walden, Vice-Chair, Non-Industry**

Ian Walden was appointed as a Non-industry Board Member in January 2004 and is also a Vice-Chair.

Ian is a Professor of Information and Communications Law and Head of the Institute of Computer and Communications Law in the Centre for Commercial Law Studies, Queen Mary University of London.



Sir Rodney Brooke CBE



Naomi Cohen



Stephen Locke



Tink Palmer



Dr Suzy Walton



Mark Gracey



Camille de Stempel

## NON-INDUSTRY BOARD MEMBERS

### Sir Rodney Brooke CBE

Sir Rodney Brooke was appointed a Non-industry Board Member in August 2007.

Sir Rodney is Chair of the Quality Assurance Agency for Higher Education, a member of the General Medical Council, the National Information Governance Board and Capacitybuilders. He is a Trustee of four charities and was formerly Chair of the General Social Care Council. His main career was in local government.

### Naomi Cohen

Naomi Cohen was appointed as a Non-industry Board Member in January 2008.

Naomi is Head of Scheme Communications for the Personal Accounts Delivery Authority, with over 20 years' experience in senior roles across the voluntary, public, and private sectors.

### Stephen Locke

Stephen Locke was appointed as a Non-industry Board Member in January 2008.

Stephen is a specialist consultant on consumer policy and regulation, and has extensive experience in both capacities.

### Tink Palmer

Tink Palmer is a Non-industry Board Member and was appointed in January 2004.

Tink has been in social work practice since 1973. She left her position as Director of Stop it Now! UK & Ireland at the end of 2008 and is now an independent consultant for matters relating to the sexual abuse of children, particularly the forensic and recovery needs of children abused via technology.

### Dr Suzy Walton

Suzy Walton was appointed a Non-industry Board Member in August 2007.

Suzy is a Chartered Director, a Chartered Scientist and a Chartered Occupational Psychologist. She has a portfolio of board roles and over a decade's experience in central government. Suzy has four children.

## INDUSTRY BOARD MEMBERS

### Mark Gracey

Mark Gracey was re-elected as an Industry Board Member in May 2008.

Mark has been with THUS for more than a decade and is responsible for internet content and premium rate telephony regulation, liaison with law enforcement and data protection compliance under the THUS and Demon brands.

### Camille de Stempel

Camille de Stempel was appointed as Industry Board Member in May 2002 and completed her term of service in April 2008.

Camille is Director of Policy for AOL Europe and a member of the Executive Board of the UK Council for Child Internet Safety.

# Strategy

## Strategic programme

During 2008, we developed and commenced a three-year strategic programme, having consulted internally and externally with members and stakeholders. The priorities of this programme will frame our ongoing activities and aims.

### Goal 1: Maintain and strengthen the effectiveness of IWF:

- Maintain and improve effectiveness of hotline services and technology
- Re-model staffing and resources framework to deliver optimum organisational capacity in support of strategic goals
- Renew and strengthen governance arrangements, including between the IWF Board and Funding Council
- Ensure financial sustainability in the medium term (1-3 years).

### Goal 2: Sustain and develop the role and influence of IWF in a managed, effective and value-added way:

- Establish an internal research and policy development capability
- Ensure clarity of remit is maintained
- Widen awareness, take-up, and impact of IWF's service models
- Build visibility and awareness of IWF's role and remit amongst online consumers
- Deliver relevant, flexible and up-to-date messages related to IWF's role and remit
- Sustain and develop positive relations across public sector bodies, charitable organisations and law enforcement agencies
- Engage with parliamentarians and deliver a relevant public affairs strategy.

## Challenge and change

We share intelligence and trends with relevant organisations including our partner hotlines and law enforcement agencies, in order to help inform operations regarding the tracing, investigation and prosecution of sex offenders that target children and online distributors of child sexual abuse content.

We are able to analyse the data we hold in an increasingly detailed and precise way, which means we can report a consolidated and continuing decrease in the number of websites hosting indecent images of children.

The focus of our work remains child sexual abuse content and yet again I have to report that the majority of the websites we deal with continue to depict the most severe levels of sexual abuse and the exploitation of very young children. All the online content we assess is publically available and three quarters of the websites depicting child sexual abuse are commercial operations.

The appalling reality of the images makes the successes we see in disrupting the availability and longevity of these websites all the more important. Our growing relations with domain name registries and registrars are beginning to show signs of success and our provision of intelligence in the UK and abroad has helped to enable our partner hotlines and law enforcement authorities to bring some of those responsible to justice.

Our hotline systems, assessment, security and processes are independently inspected by external forensic, academic and law enforcement professionals on a regular basis. I am pleased to report that the 2008 inspection found IWF to be compliant with best practice standards.

Our information systems and security are also independently inspected and we have been certified as ISO 27001 compliant for another year.

We were awarded a seat on the Executive Board of the UK Council for Child Internet Safety and I look forward to contributing to an ambitious and comprehensive strategy to improve the UK approach to protecting children in an online environment.

Our work in raising industry standards was recognised during 2008 as we won the Nominet Best Practice Challenge award and we were also finalists in the British Computer Society's Project Excellence Award.

I would like to express my continuing gratitude to IWF's dedicated staff and experienced Board of Trustees. With the hard work of all these people, I feel confident that we will continue to meet the challenges posed by the dynamic and horrific nature of the content we deal with as well as new challenges in the wider regulatory and legislative environment in which we operate. My final thank you is to the outgoing Chair, Amanda Jordan OBE, who, over the past three years, has led the organisation with foresight, wisdom and expertise.



**Peter Robbins OBE, QPM**  
IWF Chief Executive

# Trends

## Analysis

When potentially illegal content is found on domains hosted in the UK, the IWF operates a national 'notice and take-down' service to help all UK internet service providers and hosting companies to combat abuse of their networks. In the case of indecent images of children the vast majority are found to be hosted abroad, so we provide details to law enforcement and hotline partners around the world to try to assist in the removal of the content and investigation of its distributors.

During 2008, we processed 33,947 reports (Figure 1). An analysis and consolidation of our 2008 data reveals 1536 unique domains relating to child sexual abuse content. As regards our core work as the UK take-down body, the following notices were issued, in conjunction with police, to hosting service providers in the UK to alert them to the abuse of their services for the hosting of criminal content within our remit:

- 20 notices under the Protection of Children Act 1978
- 39 notices under the Obscene Publications Act 1959 and 1964
- 0 notices under the Public Order Act 1986.

2008 has seen a 3% decrease in the number of reports processed by our hotline. This is despite the continued growth in public awareness of our organisation and its reporting mechanism. We hope this decrease shows that as a result of partnership efforts in the UK fewer internet users are being inadvertently exposed to potentially illegal content. The IWF can also confirm that fewer than 1% of domains depicting child sexual abuse appear to have been hosted in the UK during 2008 and this has been the case since 2003.

Significantly, there has been a 9% decrease since 2007 (and a 21% decrease since 2006) in the number of domains confirmed to contain indecent images of children, known to the IWF, during 2008 (Figure 2). The total number, 1536, is composed of 74% commercial domains selling such content and 26% non-commercial domains where these images are stored or swapped (Figure 3). We believe that 1536 domains represent a problem of a scale which can be seriously targeted and significantly disrupted through international efforts.

Those running commercial child sexual abuse websites use increasingly sophisticated methods to host images, to obfuscate their domains, hide the payment mechanisms involved, and often splinter their content across sub-domains and remote servers in order to increase its longevity and evade removal. As a result of the growing use of sub-domain hosting methods, IWF increasingly refines its processes in order to better understand the overall movements of child sexual abuse domains and patterns in the activities of those operating the domains.

Figure 1: 2008 Reports processed, by category

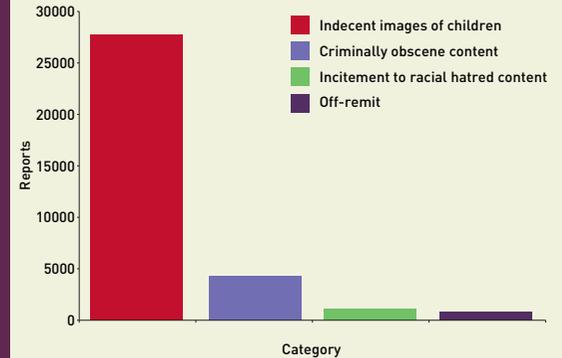


Figure 2: 1997-2008 Summary chart

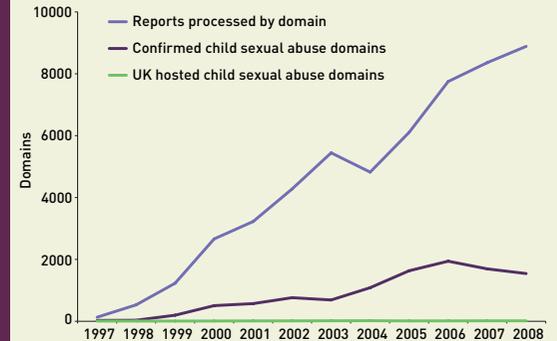


Figure 3: 2006-2008 Confirmed domains with child sexual abuse content, commercial/non-commercial

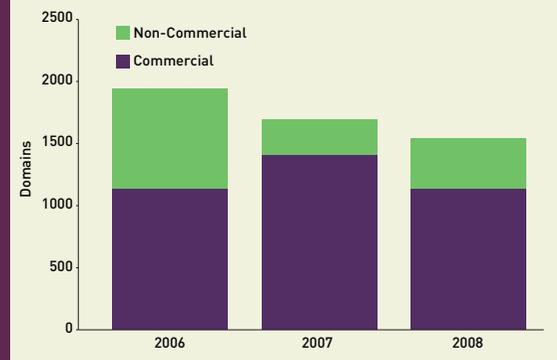


Figure 4: Ages of children depicted in indecent images, assessed in 2008

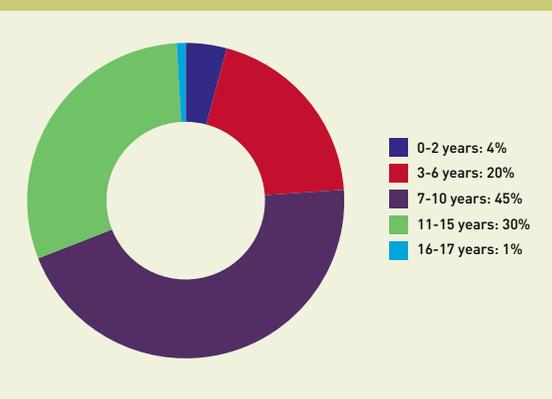
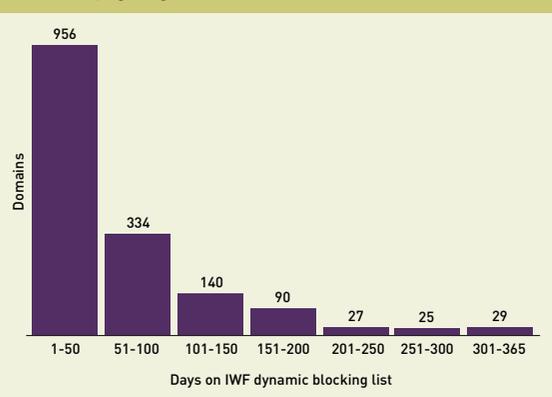


Figure 5: Sentencing Guidelines Council

Level	Description
1	Images depicting erotic posing with no sexual activity
2	Non-penetrative sexual activity between children or solo masturbation by a child
3	Non-penetrative sexual activity between adults and children
4	Penetrative sexual activity involving a child or children, or both children and adults
5	Sadism or penetration of or by an animal

Figure 6: 2008 Longevity of child sexual abuse domains, by days 'live'



Importantly, child sexual abuse content represents an extremely small, though extremely serious, proportion of all content on the internet.

The decrease in domains containing indecent images of children may result from a combination of factors including success around the world in removing or disabling these domains.

We focus our efforts on informing law enforcement agencies and international hotlines about the nature of child sexual abuse domains and how the activities of those who operate them can move from country to country. During 2008, we were also able to provide specific data and intelligence to 22 police forces and agencies in the UK in support of potential prosecutions.

By disrupting the activity of these domains, through 'notice and take-down', blocking access, sharing intelligence and understanding payment mechanisms, we are attempting to complicate and prevent access to tens or even hundreds of thousands of individual images, and, ultimately, to help bring those responsible to justice.

### Child sexual abuse images

Behind every statistic is a child who has been sexually exploited. It remains the case that many of the children in the images we assess are very young and are being subjected to severe forms of sexual abuse. 69% of the victims we see being exploited in images or videos appear to be between the ages of 0 and 10; 24% 6 years old or under; and 4% 2 years or under (Figure 4).

As regards the severity of the sexual abuse being depicted on the domains we assess, 58% of domains contain images classified as level 4 or 5 according to the Sentencing Guidelines Council, shown in Figure 5.

### Longevity

The longevity of some domains containing indecent images of children continues to pose an international challenge. However, there is also a trend for many of these domains to regularly 'hop' server and host country suggesting a short longevity for that internet location though preserving longevity for the content itself, however transient its location. The 2008 longevity chart (Figure 6) reveals the number of days which the domains with child sexual abuse content known to IWF were live and therefore on our blocking list during the year. 19% of these domains were on the list for more than 100 days of the year, with the vast majority being live for 100 days or less (81%).

## International situation

The online distribution and accessing of indecent images of children is a global issue. The child victims may be abused in one country, the images of their sexual abuse uploaded to the internet in a different country, that website operated from another country, hosted on networks in yet another and the content accessible anywhere in the world. Only continued and united international efforts can undermine the activities of those involved in this criminality. Therefore, we work in partnership with INHOPE and our international hotline partners as well as international law enforcement agencies. We are committed to sharing data and expertise in order to better target resources and help inform and encourage international responses to combating this content.

In the UK, it is our partnership with the online sector and with the Child Exploitation and Online Protection (CEOP) Centre that has maintained the UK's excellent record at being a hostile place for hosting and distributing illegal online content, within our remit.

We have no remit to operate a 'notice and take-down' service outside the UK, therefore we pass information relating to every potentially illegal child sexual abuse URL we assess to the hotline in the hosting country to enable their own investigation into that content under their own legislation.

## Domain names

A significant development during 2008 has been our work in partnership with INHOPE hotlines and with registries and registrars to disrupt the availability of the domain names of commercial child sexual abuse websites.

This work can lead to the deregistration of domain names which continue to sell indecent images of children, regardless of whether that domain name regularly changes its hosting arrangements. Our data reveals that 10 registries or registrars accounted for 76%, and 5 accounted for 55%, of all the commercial child sexual abuse domains known to us during 2008.

This initiative is an effective method of disrupting the activities of those behind the commercial operations as well as those purchasing the images. We are grateful to our partner hotlines, member companies and other organisations that have collaborated in this work and hope to contribute to the development of this important partnership initiative in the future.

## Wikipedia on the IWF list

In December our hotline received a report regarding an indecent image of a pre-pubescent girl on a Wikipedia page. The image was assessed according to current UK legislation, in accordance with the UK Sentencing Guidelines Council thresholds (see page 8, Figure 5) and was considered to be potentially illegal.

Our procedures require us to pass details of every URL considered to be in breach of UK legislation to law enforcement and hotline associates around the world for further investigation, in accordance with the laws in the hosting country. If the URL is hosted outside the UK, it is also added to our URL list which is provided to companies in the online sector that have voluntarily committed to blocking access to these URLs to help protect their customers from inadvertent exposure to indecent images of children online.

These procedures and policies are approved by our Board of Trustees and Funding Council, and our hotline systems, security and processes, including the handling of the URL list, are periodically audited by external independent inspectors, including forensic, academic and law enforcement professionals identified by our Board.

In this particular case there was an unforeseen technical side-effect of blocking access to the Wikipedia page in question. Due to the way some ISPs block, users accessing Wikipedia from these ISPs appeared to be using the same IP address. This undermined the way Wikipedia controls vandalism therefore anonymous UK Wikipedia users were blocked from editing.

Following representations from Wikipedia the IWF invoked its Appeals Procedure. This entails a review of the original decision with law enforcement officers. They confirmed the original assessment and this information was conveyed to Wikipedia. Due to the public interest in this matter our Board closely monitored the situation and, once the appeals process was complete, they convened to consider the contextual issues involved in this specific case. IWF's overriding objective is to minimise the availability of indecent images of children on the internet, however, on this occasion our efforts had the opposite effect so the Board decided that the webpage should be removed from the URL list.

As a learning organisation we are committed to improving our services so issues raised by this incident will be addressed, in collaboration with our industry partners, in the year ahead.

## Self-regulation

“To emerge from 2008 with more industry members than ever before really is a striking demonstration of a responsible industry, especially in light of the current economic climate. Thank you to all those companies that support the IWF’s operations and the principle behind its existence – self-regulation works. IWF’s membership are to be commended on their commitment to this flexible and inclusive approach, ensuring a safer online environment whilst preserving optimum commercial activity.”

**Simon Persoff, Chair, IWF Funding Council and Director of Regulatory Affairs, Orange**

Self-regulation is the principle on which our operations and structures are founded; it is also the preferred method of regulating illegal internet content amongst the government and internet industry in the UK.

Our industry members are diverse and join the IWF for many reasons. Our full members include internet service providers, content service providers, mobile operators, search providers and relevant trade bodies. Our associate members include software and filtering providers, financial institutions and others.

Each member nominates a representative to participate in the IWF Funding Council in order to contribute to our policy development and strategic future. With over 90 members, we have significant industry backing and are grateful for their continuing support of our work, aims and principles.

This model of self-regulation strives to meet the demands placed on it by evolving technology, industry growth and external scrutiny. It has been recognised publicly: by the government’s Better Regulation Executive in the National Business awards Better Regulation category and for raising industry standards in Nominet’s Best Practice Challenge.

## Member subscription levels

£20,000 +



£5,000 +





£500 +



Sponsors



# Charity Report and Accounts

## Internet Watch Foundation

Summary Consolidated Financial Statements for the year ended 31 March 2008

Company Registration Number 3426366

### General Information

The summarised financial statements are taken from the audited financial statements of Internet Watch Foundation for the year ended 31 March 2008. The audited financial statements, on which the auditors have expressed an unqualified opinion, were signed on behalf of the Board of Directors of Internet Watch Foundation, were approved on 8 July 2008 and were submitted to the Registrar of Companies on 8 October 2008. The financial statements were submitted to the Charity Commission for England and Wales on 10 October 2008.

The summarised financial statements may not contain enough information for a full understanding of Internet Watch Foundation. Copies of the full audited financial statements may be obtained on request from Internet Watch Foundation, East View, 5 Coles Lane, Oakington, Cambridge, CB24 3BA.

Internet Watch Foundation was incorporated as a company limited by guarantee on 29 August 1997 and the Trustee leadership of IWF has continued to develop its objective of minimising the availability of potentially illegal internet content.

Internet Watch Foundation is a registered charity, number 1112398.

The charity also has a subsidiary company, Internet Watch Limited, which engages in fundraising activities on behalf of the parent charity and passes its profits to the charity by way of a charitable donation.

During 2007/08 total expenditure on charitable objects was £896,408 (2006/07: £835,602).

On behalf of the Board



**Mr P E Robbins**

Secretary

Date: 13 January 2009

### Internet Watch Foundation

#### Independent Auditors' Statement to the Trustees

We have examined the summarised financial statements for the year ended 31 March 2008.

#### Respective Responsibilities of Trustees and Auditors

The Trustees are responsible for preparing the summarised financial statements in accordance with applicable law.

Our responsibility is to report to you our opinion on the consistency of the summarised financial statements with the full financial statements and Trustees' annual report. We also read the other information contained in the summarised annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the summary financial statements.

#### Basis of Audit Opinion

We conducted our work in accordance with Bulletin 1999/6 'The auditors' statement on the summary financial statement' issued by the Auditing Practices Board for use in the United Kingdom.

#### Opinion

In our opinion the summarised financial statements are consistent with the full financial statements and Trustees' annual report for the year ended 31 March 2008 and comply with the applicable requirements of section 251 of the Companies Act 1985 and the regulations made thereunder and with the applicable requirements of the Statement of Recommended Practice 'Accounting and Reporting by Charities' (revised 2005).

#### Peters Elworthy & Moore

Chartered Accountants and Registered Auditor

Cambridge

13 January 2009

Internet Watch Foundation

Statement of Financial Activities for the year ended 31 March 2008

	Restricted	Unrestricted	Total 2008	Total 2007 Restated
	£	£	£	£
<b>Incoming resources</b>				
Incoming resources from generated funds				
Voluntary income	-	6,811	6,811	15,575
Investment income and interest	-	39,224	39,224	15,340
Incoming resources from charitable activities	146,929	798,843	945,772	1,046,051
Total incoming resources	146,929	844,878	991,807	1,076,966
<b>Resources expended</b>				
Cost of charitable activities	237,828	658,580	896,408	835,602
Governance costs	-	78,204	78,204	40,485
Total resources expended	237,828	736,784	974,612	876,087
Net incoming resources for the year	(90,899)	108,094	17,195	200,879
Fund balances brought forward at 1 April 2007	90,899	522,112	613,011	412,132
Fund balances carried forward at 31 March 2008	-	630,206	630,206	613,011

Internet Watch Foundation

Summary Consolidated Balance Sheet as at 31 March 2008

	2008	2007
	£	£
<b>Fixed Assets</b>		
Tangible fixed assets	46,414	54,994
	46,414	54,994
<b>Current Assets</b>		
Debtors	163,123	197,776
Short term investment	636,650	575,251
Cash at bank and in hand	71,261	52,177
	871,034	825,204
<b>Creditors: amounts due within one year</b>	(287,242)	(267,187)
<b>Net current assets</b>	583,792	558,017
<b>Total Assets Less Current Liabilities</b>	630,206	613,011
<b>Funds</b>		
Restricted Funds	-	90,899
Unrestricted Funds	630,206	522,112
<b>Total Charity Funds</b>	630,206	613,011



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Facsimile: +44 (0) 1223 235921  
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Internet Watch Foundation  
Charity number: 1112 398  
Company number: 3426 366

Internet Watch Limited  
Company number: 3257 438

[www.iwf.org.uk](http://www.iwf.org.uk)