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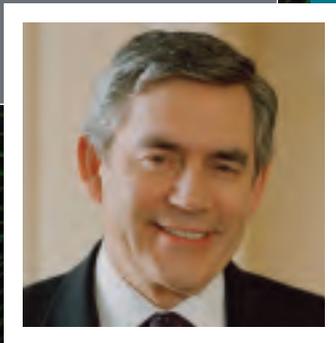


2007 Annual and Charity Report

Rt. Hon. Gordon Brown MP, Prime Minister

“The UK has one of the most effective approaches in the world for protecting children on the internet. As part of this approach, the Internet Watch Foundation has been responsible for tackling child sexual abuse images on the internet. Their work, in partnership with the online sector, Government, police and charities is helping to eradicate such content from UK networks.”

Gordon Brown



Internet Watch Foundation

Remit

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 potentially illegal online 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' or appropriate UK law enforcement agency.
- Working closely with the police, lending its expertise to help trace the individuals responsible for such criminal activity online.



From the Chair

Welcome to the Internet Watch Foundation (IWF) 2007 Annual and Charity Report. My second year leading the IWF Board has been one of challenge and change, of influence and achievement.

Our Board of Trustees has seen significant change over recent months and I would like to thank the Board for their directorship throughout the year, particularly the three retiring non-industry

Trustees, Chris Atkinson, former Policy Advisor at the NSPCC, Jim Reynolds, International Consultant on Paedophilia, and Sonia Livingstone, Professor of Social Psychology at the London School of Economics and Political Science. I am delighted to welcome five new Board members. Emma Ascroft, Head of Public and Social Policy at Yahoo! UK & Ireland, returns as an industry Board member and joining us as non-industry Board members are Sir Rodney Brooke, eminent governance, public policy and ethics professional and Dr Suzy Walton, chartered scientist, occupational psychologist and senior civil servant. From January 2008, IWF Board expertise was further enhanced as we welcomed two more non-industry Trustees, Naomi Cohen, expert in strategic communications and Stephen Locke, specialist consultant and adviser on consumer policy and regulation.

The consistent success and development of the IWF is rooted in the exemplary leadership of Peter Robbins and the commitment of his staff and we all owe a special debt of gratitude to the IWF 'Hotline' team without whose difficult work assessing and tracing the most horrific images, the UK could not remain one of the most hostile online spaces for the hosting of illegal content. I would like offer special congratulations to Peter Robbins this year as he was awarded an OBE in the Queen's 2008 New Years Honours list.

Lastly, I would like to thank our industry members for their continuing support of our work. A particular thank you to LINX for their sponsorship of our Annual Report again this year. Our members' adherence to the principles of effective self-regulation and adoption of our wider code of practice has ensured the UK has a model of which it can be extremely proud. Our membership continues to grow as the online sector flourishes and I am encouraged by indications of the success of the UK's blocking initiative protecting internet users from inadvertent exposure to images of child sexual abuse, following a dedicated partnership approach to widening the availability of the IWF's list of potentially illegal URLs.

2008 will bring new challenges to the IWF and to those partners and stakeholders with whom we work so closely. I have no doubt that our processes and expertise are such that we will continue to meet the challenges presented to us by new technologies, by a dynamic marketplace and indeed, by persistent offenders. I look forward to meeting many more of you who take an interest in our work during 2008 as we strive to respond effectively to future challenges with vigour, wisdom and inclusion.

Amanda Jordan OBE
IWF Chair



From the Chief Executive

The IWF employs a small team who, between them, provide a dedicated 'Hotline' processing online content complaints whilst others manage the day-to-day business of operating a modest enterprise attracting significant political and media attention around the world. The resilience and fortitude of our 'Hotline' personnel in assessing what is arguably some of the most shocking

forms of content and the pressure that members of staff outside the 'Hotline' absorb in managing a huge range of issues cannot be overstated. I pay tribute to each and every one of them because without their commitment and determination the IWF could not sustain its hard-earned reputation to deservedly stand alongside all our main stakeholder groups.

This year's report is one of paradox. Whilst the UK, through the efforts of the IWF, the online sector, law enforcement, government and the public, retains its excellent record at combating UK hosted online child sexual abuse content; such content hosted abroad remains available. However, our 2007 trends data reveals the overall number of domains selling indecent images of children has remained stable for the last three years although a number of foreign websites prove resilient to long-term closure. Sadly, we have to again report a continuing trend for images of very severe child sexual abuse in circulation on the internet as well as the very young age of the child victims.

UK success has led to many opportunities for us to share our model and expertise with other countries and with other organisations who are seeking to adapt our model to respond to new and emerging forms of internet criminality.

The speed of change and development in the online world is fast-moving and we must keep pace. With this uppermost in our minds we are developing our new three-year strategic plan in consultation with major stakeholders and partners. Our goals are to maintain and strengthen our effectiveness and to develop the role and influence of the IWF in a managed, effective and value-added way. We intend to enhance our research and policy capabilities whilst continuing to focus our efforts on raising awareness of our 'Hotline' in the UK and encouraging the uptake or adaptation of the UK model on an international basis so others can benefit from our experience and success.

We are extremely grateful for the support and encouragement we receive from our Board and Funding Council colleagues because their collective experience and wise counsel is critical if we are to build on the successes of the past and as we shape up to meet the new and uncharted challenges of the future.

Regrettably, I must close with an important reminder. Behind every image and every statistic is a child who has suffered horrific sexual abuse. Every time these images are viewed, that abuse is perpetuated and so we will continue, in partnership with many at home and abroad, to remove this content, help restrict access to it, and to inform the investigative activities that could bring those responsible to justice and rescue children from suffering.

Peter Robbins OBE, QPM
IWF Chief Executive



Board of Trustees



Amanda Jordan OBE

Amanda Jordan OBE, Chair

Amanda Jordan was appointed independent Chair of the IWF Board in January 2006.

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



Hamish MacLeod

Hamish MacLeod, Vice-Chair, Industry

Hamish MacLeod was elected as an industry Board member in April 2004 and is also a Vice-Chair.

Since the beginning of 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

Professor Ian Walden, Vice-Chair, Non-Industry

Professor 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.

Governance

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. The Board monitor, review and direct the IWF's remit, strategy, policy and budget to enable the IWF to achieve its objectives.

Member organisations which support the IWF nominate representatives to a Funding Council. Funding Council elects three of its members to represent industry views on the Board. Non-industry Board members are chosen by an open selection procedure following advertisements in the national press. Industry Board members serve two-year terms and non-industry Board members serve three-year terms; no Trustee may serve more than six years. Four replacement non-industry Board members were recruited during 2007.

2007 has seen a strengthening of our governance arrangements in ongoing accordance with our responsibilities under company and charity law including an increased cycle of Board and Executive meetings as well as the introduction of audit and communications committees reporting to the main Board. We ensure our consultation processes are robust and inclusive; securing input from individuals and organisations in many relevant sectors.

Non-Industry Board Members



Chris Atkinson

Chris Atkinson

Chris Atkinson stepped down as a non-industry Board member during 2007 having been appointed to her first three-year term in 2004.

Chris was Policy Advisor at NSPCC, on secondment to the Child Exploitation and Online Protection Centre.



Tink Palmer

Tink Palmer

Tink Palmer is a non-industry Board member who was appointed to her first three year term of office in January 2004.

Tink is the Director of Stop It Now! UK & Ireland and has been in social work practice since 1973.



Sir Rodney Brooke

Sir Rodney Brooke CBE

Sir Rodney Brooke was appointed a non-industry Board member in August 2007.

He is chair of the General Social Care Council and chaired the 2007 Commission on Governance in the Third Sector. He had a long career both in local government and the health service.



Jim Reynolds

Jim Reynolds

Jim Reynolds was appointed as a non-industry Board member in January 2002 and retired from Board at the end of 2007.

Jim was the first Head of Scotland Yard's Paedophile Unit and is an international expert on paedophilia.



Professor Sonia Livingstone

Professor Sonia Livingstone

Professor Sonia Livingstone is a non-industry Board member who was appointed to her first three-year term of office in January 2002. Sonia retired from Board at the end of 2007.

Sonia is a Professor of Social Psychology at the London School of Economics and Political Science and director of the 'UK Children Go Online' and 'EU Kids Online' research projects.



Dr Suzy Walton

Dr Suzy Walton

Dr Suzy Walton was appointed a non-industry Board member in August 2007.

Suzy, a chartered scientist and chartered occupational psychologist, has been a senior civil servant working in central government for over a decade.

Industry Board Members



Emma Ascroft

Emma Ascroft

Emma Ascroft was elected to return as an industry Board member in January 2007.

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



Camille de Stempel

Camille de Stempel

Camille de Stempel was elected to the IWF Board as an industry Board member in April 2006.

Camille is Director of Policy for AOL UK.

Sharing good practice

During 2007, the IWF is proud to have contributed to national and international discussion and development around the issue of potentially illegal online content and other abuse of new technologies. The internet continues to bring new opportunities to many aspects of society and we have a role to play in sharing experience and exchanging expertise with individuals, companies, governments and other organisations to promote informed responses to challenges brought about by the global nature of the internet and increasingly widespread internet access.

The IWF's independent and effective approach to dealing with online child sexual abuse content means we are called upon to respond to a number of national and international consultations and enquiries. This has included eminent child psychologist and broadcaster Dr Tanya Byron's review for the Prime Minister of the risks to children from potentially inappropriate online material; a Culture, Media and Sport Select Committee inquiry into harmful content on the internet; and contributions to European and international briefings and summits. Indeed, following such consultation, EU and US Congress recommendations now include reference to many elements of our model. We have shared our approach with a number of other bodies including the Council of Europe, United Nations and delegations from China, South Africa, Japan, Portugal, Hungary and Russia as well as participating in the 2007 Internet Governance Forum in Rio.

Our submissions have focussed on recognised IWF and UK good practice:

- effective self-regulation and voluntary industry support as responsive to dynamic criminality;
- universal 'notice and take-down' of potentially illegal online content;
- multi-agency consultation and partnerships enabling a responsive revision of relevant legal frameworks and inclusive policymaking;
- IWF facilitation of the industry-led blocking initiative preventing inadvertent access to online child sexual abuse content;
- replication, at an international level, of the UK partnership between IWF and Nominet, the .uk domain name registry, to tackle registered domain names that permit the distribution of child sexual abuse content.

Effecting change

There has been endorsement of many of those issues on which we have suggested change, improvement and discussion. We are encouraged by the probability that a centralised European child sexual abuse URL database will be created in the near future; the development of which will enable more effective targeting of EU resources and a broader understanding of global trends in child sexual abuse content online. Such comprehensive shared knowledge ensures international partners, particularly the 30 Hotlines with which we work so closely, can respond effectively to changing trends in online criminality.

Given the global nature of the online distribution of child sexual abuse images, we have suggested improvements including more international Hotlines; a united European or world-wide law enforcement and partnership approach; cooperation between public and private sectors internationally; increased recognition of the effectiveness of self-regulation as opposed to legislation in combating the fast-changing nature of these crimes.

The UK approach is seen as worthy of export; particularly the process by which the online industry has founded and supported a model of good practice which is potentially transferable to other content such as the trafficking of women and children via websites.

Our work has been recognised publicly in a number of ways during 2007. Our campaign work earned us a finalist position in the Marketing Society Awards; our self-regulatory approach meant the IWF was a finalist in the National Business Awards and our successful multi-stakeholder cooperation won us a Special Award in the Nominet Best Practice Challenge.



Rt Hon John Hutton MP, Secretary of State for Business, Enterprise and Regulatory Reform, (centre) and Sarah Robertson, IWF, (right) with National Business Awards finalists



Rt Hon Stephen Timms MP presents IWF's Amanda Jordan OBE and Peter Robbins OBE, QPM with a Nominet Best Practice Challenge Award

nominet

Winner, 2007 Nominet Best Practice Challenge



Finalist, 2007 National Business Awards



Finalist, 2007 Marketing Society Awards



Vernon Coaker MP, Parliamentary Under-Secretary of State for Crime Reduction

“Once again, I welcome with great interest the Internet Watch Foundation’s Annual Report. Not only does it evidence a continuation of the UK’s exemplary record in combating child sexual abuse content hosted on networks in this country but it also reveals the organisation’s work to raise public awareness of their ‘Hotline’ has had a tangible effect on the public’s willingness to report their inadvertent exposure to suspicious online content.

“I have been impressed during 2007 by the efforts of the UK internet industry in raising the bar in online safety and I am particularly encouraged by indications that their commitment to voluntarily block their customers’ access to sexually abusive images of children online is already leading to less content reported to the ‘Hotline’ being confirmed as child sexual abuse. Around 95 per cent of those with residential broadband connections in the UK are now protected in this way and I commend this and other positive steps taken by many companies, in conjunction with the Internet Watch Foundation, to better protect internet users, and internet services, from abuse.

“It is the continuing work of the Internet Watch Foundation and particularly its partnership with industry and law enforcement that has had a very real effect in minimising the re-victimisation of the children who have suffered horrendous abuse.”



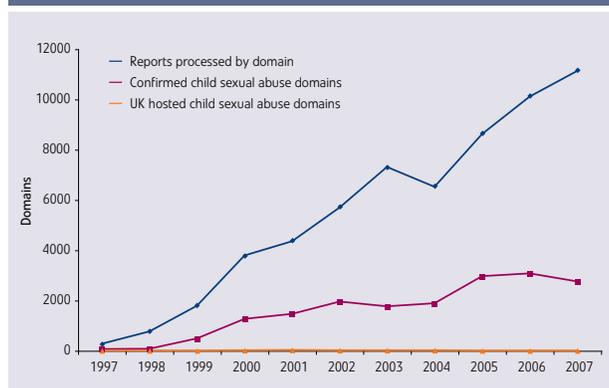
Trends

The Analysis

The IWF analyse, qualify and present our intelligence and trends to relevant organisations and individuals in order to better equip national and global understanding of illegal online content and to help inform law enforcement operations to enable the tracing, investigation and prosecution of child sexual offenders and online distributors of child sexual abuse images.

The scale and scope of the online problem of the distribution of child sexual abuse content is the subject of much speculation. As regards child sexual abuse websites, we have traced less than 3,000 such websites during 2007 (in the English language) hosted around the world and this figure has remained relatively static for a number of years. We focus our attention on gaining a better understanding of the movements and activities of top level child sexual abuse domains and do not attempt to count individual images in circulation therefore, whilst we can provide unique intelligence on the nature of abusive images, our efforts are concentrated on informing law enforcement agencies about the movements and nature of domains and the commercial activities of those who operate them. By disrupting the activity of even a few of these persistent top level domains, we could be complicating or preventing access to tens of thousands, or even hundreds of thousands, of individual images.

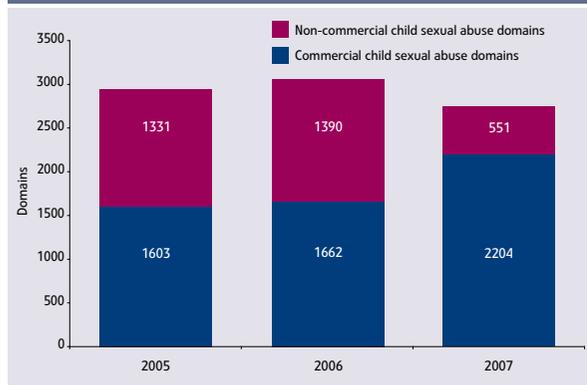
Figure 1: 1997–2007 by domain



During 2007, the IWF processed 34,871 reports which resulted in 2755 top level domains (Figure 1) with child sexual abuse content being assessed, confirmed as potentially illegal, traced, and the appropriate intelligence being disseminated accordingly.

There has been a 10% rise in the number of reports processed compared to 2006 figures which we believe is due to increased awareness of our ‘Hotline’ and conscientious action by the public. However, there has been a 15% decrease in the number of individual web pages and a 10% decrease in the number of domains depicting child sexual abuse. We hope this shows that fewer internet users are actually being inadvertently exposed to confirmed child sexual abuse images. Indeed, if this is the case, the UK can be proud of efforts by many of the IWF’s funding members in trying to protect their customers from such exposure by voluntarily committing to blocking access to child sexual abuse URLs on the IWF list. It is also a testament to the online sector’s continuing support of IWF activities that UK hosted child sexual abuse content remains negligible and on the rare occasion it is traced to networks in the UK, is removed within hours.

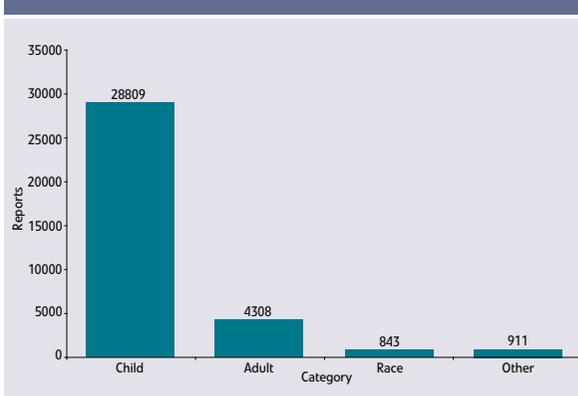
Figure 2: Confirmed child sexual abuse domains 2007, commercial/ non-commercial



As Figure 2 shows, the overall number of child sexual abuse domains known to the IWF appears to have remained relatively static over recent years. UK intelligence can thus provide a firm understanding of the extent of the problem and, importantly, that problem appears not to be on the increase despite ever-increasing global internet access, speed of connection and the widespread availability of sophisticated technologies. This may be due to concerted national and international partnership efforts but, whatever the reason, this situation provides a steady target for the further global disruption of offenders' activities. Our 2007 figures suggest that 80% of child sexual abuse domains known to the IWF are commercial operations, indeed, the target of our 'Hotline' activities is these profit-making operations; websites that innocent internet users are most likely to stumble across.

Non-commercial child sexual abuse domains through which offenders share abusive images via message boards and other online sharing forums are still a significant online phenomenon. Hosting trends in this area mean that many images may be hosted on fewer domains resulting in these sharing websites constituting a smaller proportion of the total figure, once cut back to domain level. The service offered by one provider has led to a significant increase in network abuse within two particular regions, previously with little such content on their networks. Whilst neither the hosting companies nor the photo sharing service provider

Figure 3: 2007 reports processed by category

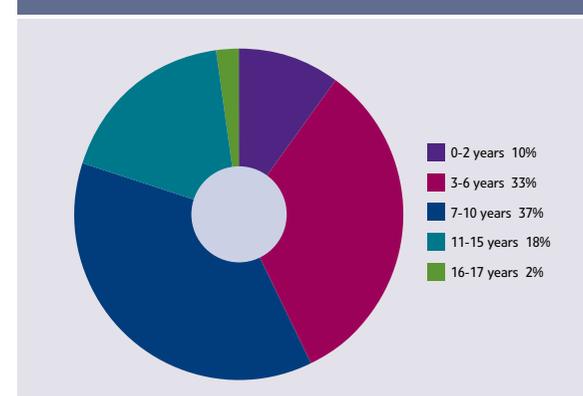


are in any way involved in the distribution of potentially illegal images, effort needs to be directed at reducing the increase in abusive images posted and available in this way.

Whilst the majority of our reports, and indeed our resources, focus on combating the circulation of indecent images of children, we also have a role to play combating criminally obscene pornographic content and incitement to racial hatred content hosted on UK networks. Indeed, a significant number of the reports processed by our 'Hotline' (Figure 3) purport to contain details of such content however little if any of this reported content is confirmed as potentially illegal by our analysts and even less of it is hosted in the UK.

A recent interpretation of the Obscene Publications Act by the legal profession has led to a new application of the law which does have an effect on our operations and indeed those of the UK online pornography industry. It is deemed to be an offence to feature explicit sexual images which would be otherwise categorised as 'R18' on the 'landing' page of a website, without there being any age verification or payment mechanism to prevent children from seeing the content. This has affected some UK commercial operations of this nature and some notices issued to take down such content have resulted in its immediate removal.

Figure 4: 2007 ages of victims on child sexual abuse websites



Our analysts look for any features in abusive images which might help identify the location and ultimately the child. If that information is evident then the images and all relevant intelligence are sent to the Child Exploitation and Online Protection (CEOP) Centre for further investigation.

Our ability to provide greater intelligence around victim details enables the provision to law enforcement of data about the age, gender and any other distinguishing features within the image. The collaborative work of the IWF and, particularly of CEOP and international agencies, Interpol and Europol, focuses on rescuing these children from abuse, although we understand child victim identification remains a difficult process.

As Figure 4 shows, 10% of the child victims we see being sexually abused in photographs or videos appear to be under two years old; 33% appear between three and six years old; with 80% appearing to be under 10. 79% of the child victims are female, 7% are male and 14% of images show both male and female victims being abused. The IWF believes it is important to clarify and emphasise exactly what a child sexual abuse image is: the severe level of abuse and the young age of the children who are being victimised in this way. Clarification that babies and young children are being raped and photographs and videos of this crime circulated for others' gain is essential, though harrowing, for any understanding of the seriousness of these offences – the abuse itself, the distribution of the content and the viewing of such content.

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

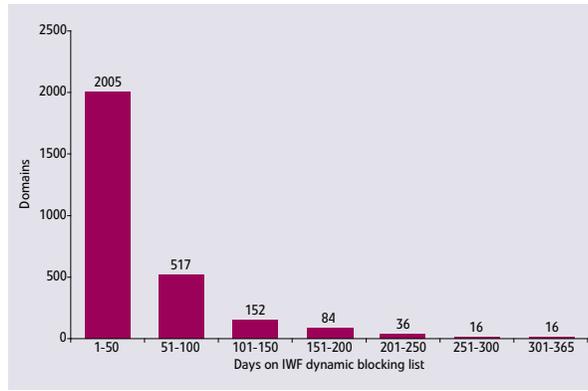
Child victims and the severity of images

Discussions of trends necessarily dwell on numbers to inform strategic responses but behind every statistic is a child who has been sexually abused and exploited and, whilst images of the abuse are in circulation on the internet, that abuse is perpetuated.

It makes horrific reading but it remains a fact that the children in the images we deal with are suffering some of the cruellest forms of sexual abuse and these children, increasingly, appear to be younger.

There is a continuing trend in the severity of the abuse in images on the websites our analysts examine, with a significant proportion of websites depicting records of abuse at levels 4 and 5; the most brutal and extreme sexual abuse, as categorised according to the UK Sentencing Guidelines Council, outlined in the chart above. 47% of all the websites we assessed depicted potentially illegal child sexual abuse images in these most severe categories which displays a continuing preference amongst offenders for the cruellest images.

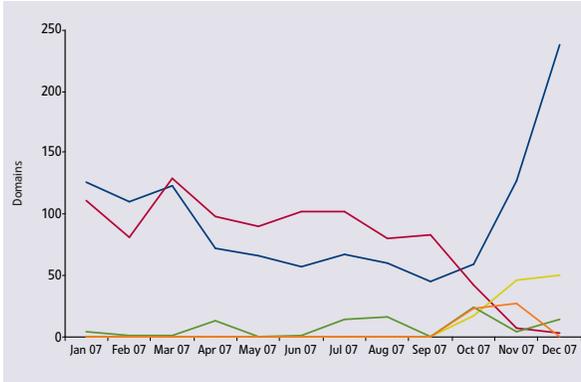
Figure 5: 2007 longevity of child sexual abuse domains by days 'live'



The international perspective and website longevity

The longevity of child sexual abuse websites, particularly commercial operations, is still a significant problem. Data from our blocking list of child sexual abuse URLs establishes patterns in the longevity of such websites. Figure 5 suggests some success through national and international partnerships in disrupting the activities of those hosting sexually abusive images of children. Whilst a very small number of domains were consistently 'live', and therefore represented on the blocking list, during 2007 the vast majority (71%) were live for less than 50 days during the year. This shows the continuing trend for such websites to 'hop' server regularly to avoid detection and removal but also the effectiveness of efforts to make operations difficult, transient, costly and risky for offenders.

Figure 6: 2007 movement of commercial child sexual abuse domains by month and by country



The provision of website hosting information by country is important in analysing patterns in the abuse of networks around the world and may reveal evidence of concentrated illegal activity as well as successful attempts to disperse this. For most of 2007 the majority of commercial child sexual abuse websites were apparently hosted on two countries' networks (red and blue lines) with a small number hosted in other countries. **Figure 6**, however, reveals some dramatic changes to such hosting arrangements during the last quarter of 2007 when a major internet service provider (ISP) and hosting company in one particular country (red) appeared to splinter its virtual operations, seemingly moving to hosting provision in three particular countries in other parts of the world (blue, yellow and orange lines). Whilst such arrangements are often transient and their investigation complicated by attempts to confound tracing methods, this could be construed as a tangible example of how illegal internet operations disperse under pressure and struggle to regroup their activities.

Such large-scale and dramatic changes to the hosting of child sexual abuse content gives further credence to portrayals of much of the commercial activity we deal with being associated with organised criminals operating extensively across the same internet platforms.

A case study

Our ability to examine the fine detail of individual website activity is illustrated in this description of a real website, known to us since March 2005.

In the past this website has been hosted on one domain which has been reported to us 27 times and has featured almost continuously on our dynamic list of 'live' websites with child sexual abuse content. The technological complexities employed by internet criminals mean that hosting techniques and, subsequently, the IWF's understanding of the activities of potentially illegal websites need constant review. This website's content now resides on at least two separate domains both of which regularly move hosting company and country. One of the alternate domains has always been hosted on networks in one particular country although has moved hosting company at least four times within that country. The other domain has been hosted by at least six different companies, in five different countries.

This method of obscuring the true location of online content is further complicated by the fact that these two domains are not advertised themselves. Instead, a large number of individual URLs acting as redirectors, 68 recorded by the IWF to date, are advertised and then act as portals to the content on one or the other of the two identical versions of the website. These redirector frames are often short-lived and are themselves hosted by many different companies in many different countries.

The detail we can provide around such complex methods of obfuscation employed by those operating illegal websites and profiting from the distribution of child sexual abuse content is uniquely useful in combating these operations and helping our law enforcement colleagues hold those responsible to account.

Arrests and police intelligence

During 2007, the IWF has provided evidence which supported the successful prosecution of seven child sexual offenders and provided a further 13 evidential statements for ongoing UK police enquiries. A further 17 reports from us, prior to 2007, are still under investigation. At least four trials for which we have provided evidence are expected in 2008.

In a particularly noteworthy case, IWF intelligence led to the rescue of three prepubescent children being sexually abused and their abuser being sentenced to 60 years in prison. We provided intelligence to Cybertipline, our Hotline partner in the US, regarding a website which appeared to be hosted in the US and contained images of children being sexually abused. Subsequent investigation led to the arrest of a 51 year old man who was videotaping himself sexually abusing three children under six. A laptop computer was seized and was found to contain over 16,000 images and over 1,000 video files depicting children – many of whom were between the ages of two and ten years old – being sexually assaulted.

The suspect admitted to sexually assaulting the children, ages three, four, and five, and a fourth victim about 20 years earlier. He pleaded guilty to manufacturing child sexual abuse images in Federal court and was sentenced to 60 years in US Federal prison, without parole, the highest possible sentence under Federal law.

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

"Despite marketplace consolidation, industry membership of the IWF continues to grow, underlining the online sector's willingness to support its aims and operations. This model of effective self-regulation is unique, responsive and continues to meet the demands placed upon it by evolving technology, industry growth and in the face of intense media, public and Government scrutiny.

"Thank you to all the IWF's industry members for their ongoing support. We look forward to working together in the future, transcending our competitive elements, in order to secure the most successful approach to combating illegal online content.

"I am delighted that together we have managed to maintain the UK's excellent record in this area."

Member subscription levels

£20,000 +



£5,000 +

£500 +

Sponsors



Members | Sponsors | Services | Keywords | Newsgroups | Spam | Best practice

INDUSTRY

Malcolm Hutty, Head of Public Affairs, LINX, the London Internet Exchange, sponsor of the Annual Report 2007

“LINX, a founding member of the IWF, is delighted to have the opportunity to continue its sponsorship of this Annual Report.

“Whilst many of us in the internet industry strive to protect the freedoms of expression and information facilitated by new forms of connectivity, we unite in our condemnation and resistance of those who seek to abuse and exploit the vulnerable via new technologies. The industry will continue to do its utmost to stay ahead of these offenders and demonstrate its commitment to ensuring the UK remains one of the most hostile spaces for the hosting of illegal content.”

Partnership and self-regulation

Multi-stakeholder partnership is at the core of the IWF's model, operations and success. It is our links with the online sector; law enforcement agencies; government; charities; the public; INHOPE; and the EU that sustain our effectiveness. Importantly, the IWF is well placed to facilitate the reconciliation of seemingly incongruous approaches in order to navigate the best and most inclusive approach to combating illegal online content.

As a self-regulatory body the role of our funding industry members is at the core of our success.

Our members are diverse and join the IWF for many reasons. Our full members, those with the ability to take down content, include internet service providers (ISPs), content service providers, mobile operators and search providers. Our associate members include software and filtering providers, financial institutions, trade bodies and others who fund us for corporate social responsibility reasons.

Each member nominates a representative to participate in IWF Funding Council affairs in order to contribute to our policy development and strategic future.

With over 80 members, we have the highest level of industry backing to date and we are very grateful for their continuing support.

Services

Blocking inadvertent access to child sexual abuse URLs

As a result of work by our analysts, URLs are regularly added to our list of potentially illegal child sexual abuse content. This list is dynamic and comprehensive and updated twice a day. Despite success in almost eradicating this content from being hosted on UK networks, sexually abusive images of children are still available around the world, so the commitment by our members to voluntarily prevent the accidental download of such content by deploying our list on their services has been welcomed in many quarters. The list fluctuates between 800 and 1500 live child sexual abuse URLs at any one time. As the URLs are precise websites or web pages the risk of over-blocking or collateral damage is minimised.

As a result of this initiative it is possible to:

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

Keywords

Our keyword service relates to the provision, to some of our members, of a list of words often used by people who discuss illegal sexual acts with children. These terms are used by search providers to improve the quality of search returns and software monitoring applications used by network managers to flag up potential abuses of their systems.

Newsgroups

We have a well established Newsgroup service designed to combat child sexual abuse content in newsgroups. Our 'Hotline' team has a systematic approved process for monitoring the content of newsgroups and for notifying ISPs of those groups which regularly contain or advertise the availability of potentially illegal child sexual abuse content.

Spam alerts

Our child sexual abuse spam email alert service helps our members stay up-to-date with the latest unsolicited email with apparent links to child sexual abuse content and members of the public making reports of such unsolicited emails can check on our website to see whether their email has been previously reported.

Best Practice Guide

We have a Best Practice Guide to handling potentially illegal images of children which is available to download from our website and is a valuable reference document for IT and HR professionals in a range of organisations to ensure company policies and procedures are consistent with the Sexual Offences Act 2003.

Awareness

Numbers of visitors to our website are a useful indication of the awareness levels we are generating through our campaign work and the increasing interest shown by many sectors in our work. October saw a four-fold increase in website visitors to 73,347 in response to IWF Awareness Day and targeted campaign work. November saw figures over 51,671 coinciding with interest in our Road Show events.

IWF Awareness Day

The IWF marked its first national awareness day on 24 October 2007 with the aim of raising public awareness of our internet 'Hotline' as the UK's reporting mechanism for potentially illegal online content.

Our industry members and many stakeholders provided outstanding support on and around the day by running adverts on their public websites, staff intranets and other communications channels, and by emailing their customers and associates with information about our work.

The media coverage we received for the day was impressive with almost 300 articles, including 70 radio and television broadcast features – regional, national and international.

Road Show

We completed our Tenth Anniversary UK Road Show campaign during 2007 with conferences in Edinburgh, Belfast and Cardiff. The events were a great success with around 500 registrations from our key stakeholders representing industry, child protection, education, law enforcement, IT professions, central and local government and charities.

Each conference was hosted by the local parliamentarian and discussions were chaired by a well known broadcaster from each region with important contributions from a team of expert panellists.

The conferences were part of an integrated campaign during which we also worked with local media and advertised around each region.

These events marked the end of our Road Show and we are delighted to have had the opportunity to raise awareness of our work, success, remit and aims to so many around the UK and beyond.

Targeted campaigns

The IWF carried out research into online behaviour during 2007. Our research suggested, for example, that almost 1 in 20 UK adult internet users believe they have been exposed to online images of children being sexually abused at some point but a significant proportion were unaware of where to report this.

An analysis of the demographic groups most likely to stumble across this content informed targeted and diverse visibility work across a number of platforms to increase awareness levels where it counts the most.

Police

The IWF continues its efforts to ensure police personnel and police websites throughout the UK are kept up-to-date regarding the IWF's work, remit and operational processes. By regularly dispatching our INFORM campaign materials to those dealing with public enquiries, we hope to save valuable police time and resources and ensure the public receive the most accurate advice.

Libraries

As sites of public information and internet access, libraries are an important target for our awareness material. We send a selection of literature for distribution to libraries throughout the UK.

IT professionals

IT professionals are a key audience for the IWF and it is vital that those working in the IT industry are aware of their responsibilities as regards the handling of illegal images and recommendations around dealing with other potential abuses of the networks and hardware they manage. We carry out specific marketing and editorial work for this campaign and provide a Best Practice Guide as well as a range of campaign materials to ensure awareness of the law, our role and our 'Hotline' is strong in this sector.

If you or your organisation is interested to receive IWF information, literature, campaign materials or event participation, please email info@iwf.org.uk.



Charity Report

Internet Watch Foundation

Financial Statements for the year ended 31 March 2007.

Company Registration Number 3426366, Charity Number 1112398.

General information

The summarised financial statements are taken from the audited financial statements of Internet Watch Foundation for the year ended 31 March 2007. 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 18 September 2007 and were submitted to the Registrar of Companies on 9 November 2007. The financial statements were submitted to the Charity Commission for England and Wales on 8 November 2007.

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 2006/07 total expenditure on charitable objects was £856,362 (2005/06: £807,732).

On behalf of the Board



Mr P E Robbins

Secretary

Date: 6 February 2008

Internet Watch Foundation

Independent Auditors' Statement to the Trustees

We have examined the summarised financial statements for the year ended 31 March 2007.

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 2007 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

6 February 2008

Internet Watch Foundation
Statement of Financial Activities
Year ended 31 March 2007

	Restricted £	Unrestricted £	Total 2007 £	Total 2006 £
Incoming Resources				
Incoming resources from generated funds				
Voluntary income	–	15,575	15,575	70,000
Investment income and interest	–	15,340	15,340	8,379
Incoming resources from charitable activities	335,837	710,214	1,046,051	823,033
Total incoming resources	335,837	741,129	1,076,966	901,412
Resources Expended				
Cost of charitable activities	244,938	611,424	856,362	807,732
Governance costs	–	19,725	19,725	14,374
Total resources expended	244,938	631,149	876,087	822,106
Net incoming resources for the year	90,899	109,980	200,879	79,306
Fund balances brought forward at 1 April 2006	–	412,132	412,132	332,826
Fund balances carried forward at 31 March 2007	90,899	522,112	613,011	412,132

Internet Watch Foundation
Summary Consolidated Balance Sheet
31 March 2007

	2007 £	2006 £
Fixed Assets		
Tangible fixed assets	54,994	12,194
	54,994	12,194
Current Assets		
Debtors	197,776	278,863
Short term investment	575,251	–
Cash at bank and in hand	52,177	357,479
	825,204	636,342
Creditors: amounts due within one year	(267,187)	(236,404)
Net current assets	558,017	399,938
Total Assets Less Current Liabilities	613,011	412,132
Funds		
Restricted Funds	90,899	–
Unrestricted Funds	522,112	412,132
Total Charity Funds	613,011	412,132



Internet Watch Foundation

5 Coles Lane
Oakington
Cambridge
CB24 3BA

Telephone: +44 (0) 1223 237700

Facsimile: +44 (0) 1223 235921

Email: media@iwf.org.uk

Internet Watch Foundation

Charity number: 1112 398

Company number: 3426 366

Internet Watch Limited

Company number: 3257 438

www.iwf.org.uk

