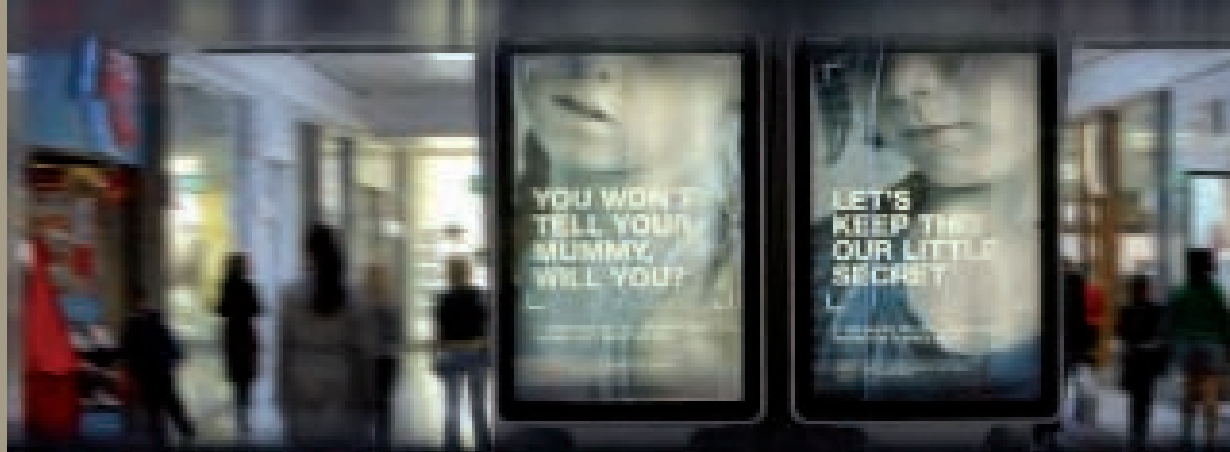


Remove

ANNUAL AND CHARITY REPORT 2006



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IWF

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 abuse images.

VISION

Combating child abuse images online.

REMIT

To minimise the availability of potentially illegal internet content specifically:

- images of child 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 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, abusive images of children and criminally obscene and incitement to racial hatred content.
- Passing details of reports relating to potentially illegal child 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.



“WE ARE ONE OF THE UK’S MOST IMPORTANT RESOURCES IN COMBATING THIS INSIDIOUS AND SERIOUS ISSUE IN CONTEMPORARY SOCIETY.”

AMANDA JORDAN OBE

FROM THE CHAIR

Welcome to the Internet Watch Foundation (IWF) 2006 Annual and Charity Report.

2006 has been a significant year, not least because it was our tenth anniversary. We marked this milestone with an ambitious series of conferences around the country, each with a parliamentary speaker and a panel of experts leading a debate with those present, chaired by a well known broadcaster.

The conferences coincided with our first major public-facing awareness activity which involved an integrated campaign of nationwide advertising, national and international PR, events, education and new literature.

This anniversary activity was launched with an event at Westminster’s Central Hall and we were delighted to welcome Home Office Minister, Vernon Coaker MP, to deliver a keynote address to around 200 delegates and members of the media. I would like to express my sincere appreciation to all of the speakers, panel chairs, expert panellists and delegates who made the five conferences such a great success.

During my first year as the Independent Chair, the organisation has faced a number of challenges and embarked on some major reforms and initiatives. We commissioned a governance review to enable us to consider the most effective structure for Board and industry relationships in light of our fast growing membership. We are keen to ensure our procedures remain robust and that we are inclusive of a diverse membership as well as open to wider stakeholder views.

As a self and co regulatory body we, as a Board, work with the industry through our Funding Council to uphold the wider public interest in minimising internet users’ inadvertent exposure to potentially illegal online content within our remit. We are very grateful to all our members for their continued financial support and I would also like to extend a special thank you this year to LINX, who sponsored this annual report.

I would like to thank the Board for their support throughout the year, particularly our two retiring Board members, Michele Elliott (independent) and Nick Truman (industry), both of whom stepped down at the end of 2006.

This is, indeed, a demanding time, but also an exciting one and I am delighted to be leading the organisation through these challenges and changes. I am conscious that the success of the IWF is built firmly on the efforts of our small but dedicated team led by Peter Robbins. Their work is of immense importance and we are all committed to finding new ways to continue to combat child abuse content online.

We are one of the UK’s most important resources in combating this insidious and serious issue in contemporary society. It is crucial the public are aware of our work in removing online child abuse content and particularly our ‘Hotline’ reporting mechanism as we rely on reports from the public and IT professionals to carry out our core work. With this in mind we intend to devote even more effort to raising awareness of our role and existence in 2007.

Following the success of our road shows around England, we plan to take our conferences and public awareness campaign to Belfast, Cardiff and Edinburgh in the future. I hope to meet many of you who have an interest in our future and continued success in the coming year.

Amanda Jordan OBE, IWF Chair

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FROM THE CHIEF EXECUTIVE

I am delighted to be able to report once again that the UK remains one of the most hostile places for hosting potentially illegal online content covered by our remit. The reason for this success is entirely due to the outstanding relationship we enjoy with our funding partners, our major stakeholders and internet users who have worked collaboratively and tirelessly to rid the UK of such content.

However, given the international nature of the internet and our role in taking reports of potentially illegal child abuse content hosted anywhere in the world, we have regrettably seen some new technologies and online services being targeted in other countries to distribute abusive images of children. We have also noted a trend amongst a very small number of online photo album services whose free hosting services have been exploited, resulting in a substantial number of URLs being added to our database during the year. This issue has been exacerbated by jurisdictional complexities. In one case the service was being provided in Northern Europe, on servers located in North America whilst the website was registered to a person in Eastern Europe.

Sadly, our analysts also report an increase in the severity of abuse depicted in images being offered, particularly on commercial websites and we continue to be concerned about the length of time some of these websites remain live despite reports by our analysts to alert the hosting countries of their existence. Given the speed at which these websites move their content we maintain there is an urgent need for more cooperation on an international basis to track their movements across different jurisdictions until a prosecution can be instigated.

2006 has also been a year of immense interest at home and abroad in our child abuse images and content (CAIC) service. We maintain a dynamic list of potentially illegal child abuse URLs which we make available to our members who wish to voluntarily deploy the information as a blocking or filtering mechanism on their networks. During the year a number of other countries around the world have agreed to implement a similar system of their own.

Despite some consolidation within the technology sector, the number of IWF members has risen to a new high and, coupled with our increased income, this has enabled us to devote more resources to raising our visibility amongst internet and mobile users and improving the quality of the services we provide. Without the support of our members we would be unable to sustain our core function of providing a national 'Hotline' and universal 'notice and take-down' service. An effective industry funded self-regulatory partnership initiative really can thrive as evidenced by our ten year successful association.

In closing I pay tribute to our 'Hotline' analysts' specialist knowledge, dedication and commitment to carry out the most demanding work. Moreover we must never forget that every time these images are viewed, the sexual abuse of a child is perpetuated. With continued help from our members, the public and IT professionals, the Government, the Child Exploitation and Online Protection (CEOP) Centre and their police colleagues around the country, we continue to play our part in the removal of abusive images of children online.

Peter Robbins QPM, IWF Chief Executive



“THE IWF’S BLOCKING SOLUTION IS NOW BEING TAKEN UP IN MANY MORE COUNTRIES AROUND THE WORLD. WHAT MORE ELOQUENT COMPLIMENT COULD THERE BE FOR THE IWF’S INVALUABLE WORK?”

JOHN CARR, INTERNET CONSULTANT, NCH

IWF SERVICES

Blocking child abuse content

The diversity and quality of the services we provide to our members continues to increase. 2006 has seen attention focus on our child abuse images and content (CAIC) service. This service is developing as an industry-led initiative which has gathered pace since 2004.

As a result of work by our analysts, potentially illegal URLs are regularly added to our unique list of online child abuse content. This list is dynamic and comprehensive: updated twice a day. The Protection of Children Act 1978 as amended in the Sexual Offences Act 2003, makes it an offence to take, make, permit to be taken, distribute, show, possess with intent to distribute, and advertise indecent photographs or pseudo-photographs of children under the age of 18. The ‘making’ of such images includes downloading, that is, making a copy of a child abuse image on a computer, so, in the UK, accessing such content online is a serious criminal offence.

Despite success in almost eradicating this content from UK networks, 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. Since 2004, many more of our members have chosen to make use of this service, namely, internet service providers, mobile operators, search providers and filtering companies.

This database typically contains between 800 and 1200 live child 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 by restricting opportunities to view their sexual abuse.
- Disrupt the accessibility and supply of such content to those who may seek out such images.

Unfortunately, the blocking mechanism cannot put an end to offenders abusing children or distributing images of child sexual abuse on the internet but at least this initiative contributes to an overall solution.

Our systems and processes in compiling this database have been inspected and validated by two eminent professionals and found to be consistent with best practice. There is a procedure whereby the website owner of any blocked URL has the right of appeal. The URLs are assessed according to UK law, an expert process reinforced by reciprocal police training with each image being categorised in line with criteria set out by the UK Sentencing Advisory Council. Details of every URL with child abuse content are passed with accompanying intelligence to our partners at the Child Exploitation and Online Protection Centre as well as our hotline associates around the world.

Blocking facilitated by the use of our list applies only to website content. We have no role or remit for tackling the distribution of child abuse content through other channels such as peer-to-peer or instant messaging.

Speaking at the launch of the IWF’s ten year anniversary campaign in October 2006, Home Office Minister, Vernon Coaker MP, said:

“I recently announced a target that by the end of 2007, all ISPs offering broadband internet connectivity to the UK general public, should have in place technical measures that prevent their customers accessing websites containing illegal images of child abuse as identified by the IWF.

“We do not see blocking websites as an overall solution in stopping paedophiles or illegal images of child abuse. Nor do we see it in isolation from our other work to tackle sex offending and to make the internet safer, however, blocking websites is a step that we can and therefore should take.”

Home Secretary, Dr John Reid, called for a European-wide push for concerted action to remove or block websites containing images of the exploitation or abuse of children whilst speaking in Brussels in December 2006.

In November 2006 the European Commission published its action plan on promoting safer use of the internet. It concludes that in order to combat illegal content on global networks, the information on best practices, as well as a black list of illegal content in the EU, should be shared to facilitate united international efforts.

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Becta, the Government's lead partner in the strategic development and delivery of its e-strategy for schools and the learning and skills sectors, endorsed blocking access to URLs on the IWF list as a requirement for any service provider supplying managed internet services to schools.

The blocking initiative is supported by the Internet Services Providers' Association (ISPA): "ISPA's work with the IWF has shown consistent and ongoing success as evidenced by the IWF's 2006 figures. ISPA UK continues to work closely with the IWF to help ISPs prevent access to known online child abuse images. Technological developments from within the UK internet industry have positioned the UK at the forefront of fighting illegal content and ISPA UK will continue to support initiatives that contribute to a safer online environment." Nick Lansman, Secretary General, ISPA.

Keyword service

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

Newsgroup service

We also have a well established Newsgroup service designed to combat paedophilic material 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 abuse content. Regular updates on these recommendations are also sent to some news provider companies abroad.

Spam alert service

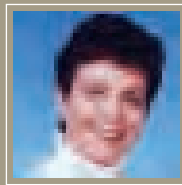
Our child abuse spam email alert service ensures that our members are up to date with the latest unsolicited email with apparent links to potentially illegal child abuse content and members of the public making reports of unsolicited child abuse emails can check on our website to see whether their particular email has been previously reported.

Best Practice Guide

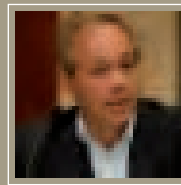
We have a Best Practice Guide to handling potentially illegal images of children which is available to download from our website and is a valuable reference document for IT and HR professionals in a range of organisations to ensure company policies and procedures are consistent with the Sexual Offences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



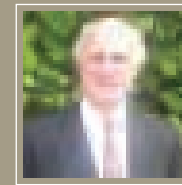
AMANDA JORDAN OBE



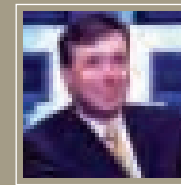
DR MICHELE ELLIOTT



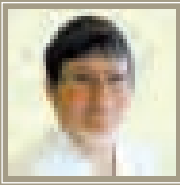
HAMISH MACLEOD



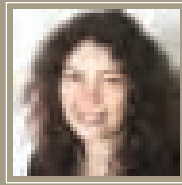
JIM REYNOLDS



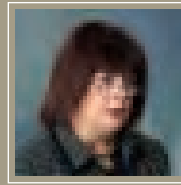
NICK TRUMAN



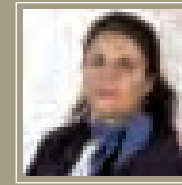
CHRISTINE ATKINSON



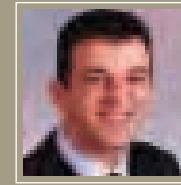
PROFESSOR SONIA LIVINGSTONE



TINK PALMER



CAMILLE DE STEMPEL



DR IAN WALDEN

BOARD OF TRUSTEES

Amanda Jordan OBE

Amanda Jordan was appointed independent Chair of the IWF Board in January 2006. She is a Founding Director and Chair of the SMART Company, a consulting business which specialises in corporate social responsibility. She was Head of Public Affairs at Nat West following a career in the voluntary sector. She is an Independent Director of the Banking Code Standards Board, Chair of the National Literacy Trust, Trustee and Board member of the Baring Foundation, Trustee and Board member of Mountview Theatre School and member of the Membership Committee of Business in the Community.

Amanda is also a former Trustee of Money Advice Trust, Chair of the London Enterprise Agency and non Executive Director of Greater London Enterprise. She was also an advisor to the Government's Social Exclusion Unit on business issues.

Christine Atkinson

Chris Atkinson is a non-industry Board member who was appointed to her first three-year term in January 2004. Chris has over 20 years experience in child protection policy. At NSPCC, her responsibilities cover child protection policy in relation to adult sex offenders, internet safety, safe open spaces and domestic violence.

Chris was a member of the Home Office Steering Group on the Sexual Offences Review, a member of the Home Office Task Force on Child Protection on the Internet and member of the Stop it Now! UK and Ireland Steering Group. She is now on secondment to the Child Exploitation and Online Protection Centre developing strategies on Government and NGO engagement.

Michele Elliott

Dr Michele Elliott was appointed as a non-industry Board member in January 2004. She is a teacher, psychologist, school governor and author of over 20 books on preventing child abuse, female sexual abuse of children, bullying and parenting amongst other issues. She has lectured widely, chaired World Health Organisation and Home Office Working Groups and is a Winston Churchill Fellow.

Michele has served as a member of the Children's Social Policy Group, the Professional Association of Nursery Nurses Working Group, the Honorary Council of the NSPCC, The National Toy Council, The British Board of Film Classification Video Consultative, The Nuffield Foundation Family and Law Committee and ChildLine Council.

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. She is a Professor of Social Psychology and a founder member of the interdepartmental graduate programme in media and communications at the London School of Economics and Political Science.

Her research focuses on children and young people's use of new media at home, school and in their leisure time, having directed a pan-European project across 12 countries to pursue these issues. Current work includes qualitative and quantitative research on children's use of the internet.

Hamish MacLeod

Hamish was elected as an industry Board member in April 2004 and is now Vice-Chair. Since the beginning of 2002 Hamish MacLeod has coordinated the Mobile Broadband Group (MBG), a grouping formed by the five mobile network operators in the UK to work jointly on public policy issues, such as new legislation and developing self-regulatory codes. Prior to the MBG, he worked from 1995 to 2001 with the TIW Group of companies in a number of subsidiaries, which included Oasis Cellular in Rajasthan and Dolphin Telecom in Europe, where he was Head of Finance for networks and Head of Regulatory Affairs.

Tink Palmer

Tink Palmer is a non-industry Board member who was appointed to her first three-year term of office in January 2004. She is the Director of Stop it Now! UK & Ireland and has been in social work practice since 1973. She specialises in child sexual abuse and is an experienced clinical and forensic practitioner, manager, policy maker and strategist. She has written widely on the sexual abuse of children, including children abused via new technologies.

Tink is also Chair of the ECPAT Board of Trustees, a member of the Home Office Task Force on Child Protection on the Internet and of the Home Office Steering group for Vulnerable and Intimidated Witnesses, including Children.

Jim Reynolds

Jim was appointed as a non-industry Board member in January 2002. He was the first Head of Scotland Yard's Paedophilia Unit. He acts as UK and European representative for the US National Center for Missing and Exploited Children. He introduced the Missing Children's Website enabling UK police forces to circulate, globally and instantaneously, details of missing children. He is an Advisor to INHOPE, an Honorary Lecturer at University College, Cork and delivers training to Local Government on Criminal Legislation.

Jim was a member of the Bertelsmann Foundation's International Network of Experts on Internet Content Self-Regulation and was a member of an Internet Relay Chat Sub-Group of the Internet Crime Forum.

Camille de Stempel

Camille de Stempel was elected an IWF industry Board member in April 2006. As Director of Policy for AOL UK, she is responsible for AOL's policies in areas such as safety and security, editorial content and digital inclusion. She works closely with Government, law enforcement, charities, academics and other policy stakeholders.

Camille is a board member of the Internet Content Rating Association (ICRA) and represents AOL UK on several bodies including the Home Office Task Force on Child Protection on the Internet, the ISPA Council, the Internet Crime Forum, the ITSPA council and the CEOP Centre.

Nick Truman

Nick Truman was elected as an industry Board member in January 2005. Nick is the Head of Internet Security for BT Retail and is responsible for setting and enforcing the policies under which BT's customers use the internet. Since 1999, Nick has been responsible for managing the BT internet customer security team as well as mass market internet customer security issues. He is also the Chairman of the Board of Directors of the Internet Content Ratings Association (ICRA), represents BT on the Home Office Task Force on Child Protection on the Internet and on the Internet Crime Forum.

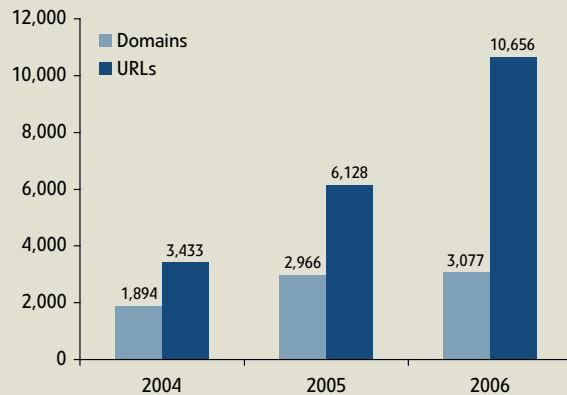
Ian Walden

Dr Ian Walden was appointed as a non-industry Board member in January 2004 and is now also Vice-Chair. He is 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.

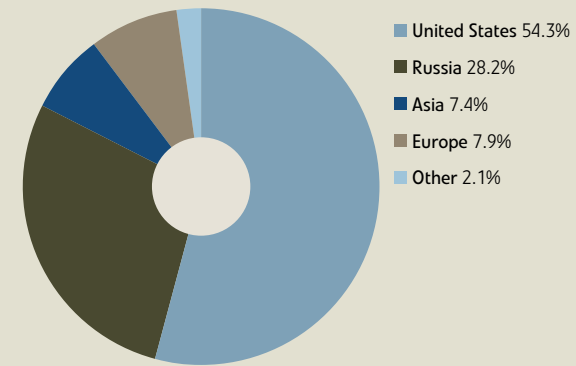
Ian was seconded to the European Commission as a National Expert in electronic commerce law and is a member of the Legal Advisory Board to the Information Society Directorate-General of the European Commission. Ian is a solicitor and is Of Counsel to the global law firm Baker & McKenzie.

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Child abuse domains and URLs 2004 - 2006



All child abuse domains by region 2006



TRENDS

ANALYSIS

In 2006, the IWF processed 31,776 reports.

We have a determination to analyse and qualify all the figures we produce in order to provide key information and intelligence for our law enforcement partners and other bodies in their efforts to combat online images of children being sexually abused.

As the first chart above shows, during 2006, 10,656 URLs of individual web pages or websites, were confirmed by our 'Hotline' team to have child sexual abuse content and, therefore, were added to our dynamic list of online child abuse content, voluntarily deployed by our members for blocking purposes. Significantly, 3,077 separate domains accounted for all these URLs. 1,667 of these domains were commercial websites; numbers which have remained regrettably static as we recorded 1,624 in 2005. That so many potentially illegal URLs are contained on over 3,000 domains is due, in part, to the rise in postings of potentially illegal images to online photo album websites and a trend in commercial child abuse websites hosting their images remotely.

82.5% of all domains apparently featuring child abuse content during 2006, were traced to servers apparently located in the US and Russia. Of all child abuse websites processed by our 'Hotline' in 2006, those apparently hosted on domains in the UK remain under 1% and indeed have been so since 2003. On the rare occasions UK hosting is abused, the IWF's effective procedures and links with the UK online industry and law enforcement agencies mean it is removed expeditiously.

Remote Image Storage

Online photo album services are a popular way of enabling internet users to share pictures with family and friends. These websites allow easy, free, unlimited and anonymous postings of photographs which, sadly, provides an online medium for some internet users to abuse.

Photo album websites accounted for 10.5% of all URLs we reported to law enforcement and other hotlines apparently containing potentially illegal child abuse images in 2006, up from 2% in 2005 and 0% in 2004. Two photo sharing websites in particular accounted for a significant proportion of content hosted in this way and known to the IWF. The companies running these websites appear to be legitimate enterprises but, regrettably, the services they provide are occasionally abused.

Our analysts have also noted a new and challenging trend whereby commercial websites store the image files (GIFs) which make up their abusive images on a remote website. Whilst some store their images as whole pictures which can, when detected, be removed, others have remote stores which are a collection of thousands of elements of an image, like jigsaw pieces, which, when assembled correctly, make up whole images of children being abused. When an offender clicks on the 'parent' commercial website to download a potentially illegal abusive image, the site collects the relevant jigsaw pieces for that image from the separately hosted image store and assembles them instantaneously.

In this way, if the main websites are detected and removed, the images stored remotely can be protected. Furthermore, the main websites themselves often change server and host country to avoid detection whilst retaining their links to the image store.

These image 'jigsaw' stores might be able to evade removal and law enforcement investigation as the images may not constitute potentially illegal content in their pre-assembled state. This is a relatively new phenomenon and we are preparing evidence for the apparent hosting country to enable them to consider the appropriate action.

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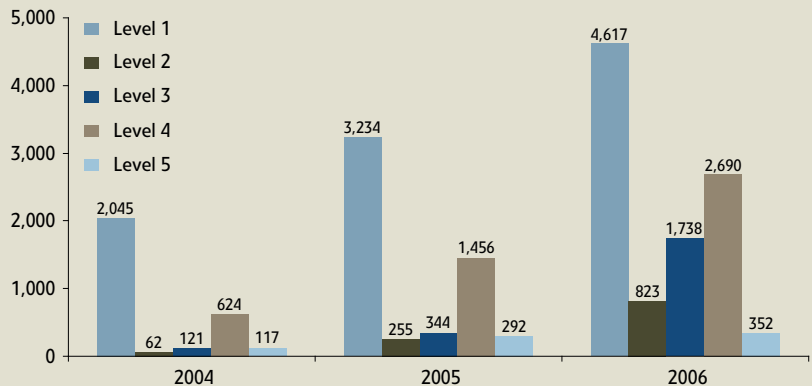
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Abuse image level for URLs 2004 - 2006



“I NEVER ESCAPE THE FACT THAT PICTURES OF MY ABUSE ARE OUT THERE FOREVER. EVERYTHING POSSIBLE SHOULD BE DONE TO STOP PEOPLE LOOKING AT PICTURES OF CHILD ABUSE. EACH TIME SOMEONE LOOKS AT PICTURES OF ME, IT’S LIKE ABUSING ME AGAIN.”

SANDRA, AGED 16 YEARS

‘HOTLINE’ INTELLIGENCE

Longevity of commercial websites

We track and monitor commercial child abuse websites and have found that some of the most prolific websites selling child abuse images avoid detection by regularly ‘hopping’ server, continuously changing country and police jurisdiction in an effort to thwart the investigative process to avoid being closed down and prosecuted.

One site, for example, has been reported to us 224 times since 2002; another has been reported to us 54 times since 2000 and in that time has been found on seven different servers in different countries; yet another has been reported by us to the relevant authorities 32 times since 2005.

Some of the most prolific of these commercial child abuse websites have remained ‘live’ for long periods of time, despite our concerted efforts to the contrary. 94 of these websites reported by us to relevant authorities in 2006 are known to have been actively selling child abuse images in 2005. Indeed, 33 were ‘live’ in 2004 and 32 were ‘live’ prior to that.

We regularly pass details of the websites and other intelligence to Interpol via our own police agency links, to international hotlines and the apparent host countries’ own police services to enable them to launch a united assault on the organised criminals selling images of child abuse. However, the ever-changing jurisdictions, the differing laws, priorities and police responses as well as the varying cooperation of internet service providers around the world, mean that some countries face challenges to remove content.

In 2006, the IWF became aware of two instances of fraud carried out by the criminals who run child abuse websites on their own customers. Offenders using their credit cards to pay online for membership of a child abuse website or to purchase potentially illegal images have had their details stolen by the website operators themselves. The operators have then moved their website using the customer’s name and address to register the website and the credit card to pay for the web space.

Severity of images

Our analysts assess child abuse images according to the Sentencing Advisory Council guidelines as follows:

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

Sadly, the severity of online child abuse images according to these sentencing guidelines has increased over recent years. The chart above shows the trend since 2004 for child abuse image level of all URLs confirmed to be potentially illegal by the IWF. Image levels 4 and 5 record some of the most horrific cases of the sexual abuse of children and have increased as a percentage of child abuse images online, known to us, from 7% in 2003 to 29% in 2006. This trend reflects the growing demand for purchasing more and more severe images and the majority of the most severe images are found on commercial websites. Indeed, 57.1% of commercial child abuse websites known to us contained image levels 4 and 5 in 2006.

Victim details

The age and gender of the children depicted in the abusive images we work to remove has been monitored since 2003.

80% of the child victims in all the URLs we’ve confirmed to be abusive since 2003 are female and 91% of all these children appear to be twelve years of age or under.

When new images are seen our analysts look for any features 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 Centre for further investigation.

Arrests and police intelligence

During 2006 we have contributed information which accounted for four arrests and we provided eleven evidential statements to support UK police enquiries. Our analysts provided evidence at five trials and a further forty-two reports from us are still under investigation.

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PARTNERSHIPS

Partnership is the key to our work and success. We work closely with a number of Government departments, associated charities, law enforcement agencies, international hotlines, the EU, the public, INHOPE, and, of course, our funding member companies.

INDUSTRY

Although we are an independent body, our strong self-regulatory identity means the role of our industry funding members is the most crucial component of our success.

Our members are now many and diverse and join the IWF for a number of reasons. Many are internet service providers (ISPs), content service providers (CSPs), mobile operators, search providers, software filtering providers or companies who have a close affiliation to the work we do. Our ISP and CSP members also work closely with us with regard to our universal 'notice and take-down' service which ensures that any potentially illegal content within our remit and apparently hosted in the UK is removed expeditiously.

Financial and blue-chip companies join in order to receive services and member benefits such as advice on avoiding the potential abuse of the company networks and to access best practice guidelines in handling potentially illegal online content. Other companies join for corporate and social responsibility reasons and others because they have a role to play in our policy and operational future.

It is these industry members who financially support our work. Each member nominates a representative to participate in Funding Council affairs where they can contribute to discussions about our Code of Practice and many aspect of our policies and our future.

Despite marketplace consolidation in the online industry, our membership continues to grow and at 76, we have more than ever. Their views are integral to our functioning and we aim to ensure our consultation processes are robust and transparent in order to make the most of their expertise, opinions and experience. The Funding Council meets quarterly and their Chair, Simon Persoff of Orange, has led these meetings during 2006.

From the Chair of Funding Council

"The incredible growth in membership of the Internet Watch Foundation, from 9 in 1999 to 76 in 2006, clearly demonstrates industry's commitment to issues of illegal online content. Self-regulation has achieved great things and the IWF's partnership approach is heralded by many as the best way to ensure success in this area as effectively and as speedily as possible.

"My role as Chair of Funding Council during 2006 has been a dynamic and challenging one. Governance review, voluntary commitment to blocking illegal websites and ten year anniversary activities, as well as new policy developments, have all provided opportunities for members' input and consultation.

"I would like to thank the IWF's industry members for playing such a significant role in taking the organisation forward and helping to lead it through its recent challenges.

"That consistently less than 1% of child abuse content is hosted in the UK is a testament to a united industry, putting commitment to these issues before competition. We look forward to this unified approach ensuring the UK public is protected online for the foreseeable future."

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

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“IN PARTNERSHIP, THE CEOP CENTRE AND THE IWF HAVE CONTINUED THE DRIVE TO MAKE THE UK ONE OF THE MOST HOSTILE ONLINE SPACES IN THE WORLD FOR THOSE WHO WANT TO USE TECHNOLOGY TO EXPLOIT CHILDREN.”

JIM GAMBLE, CHIEF EXECUTIVE, CEOP

EUROPEAN UNION

The EU provides a major part of our funding by underwriting the work of our ‘Hotline’ operations and other activities.

We are part of their Safer Internet *plus* Programme and as such, take part in the coordinated activities regarding online safety taking place around Europe, such as Safer Internet Day, held in February every year. INHOPE is the organisation which plays a central role in connecting and representing the twenty-seven hotlines in twenty-four countries, from the US and Greece to Japan, South Korea and Iceland. We have been pleased to have the opportunity to share our practices with emerging hotlines around the world and have met with delegations from Japan, South Korea, and China amongst many others. Our Hotline Manager is a member of the INHOPE directorate, contributing towards European policy and developments in this area.

GOVERNMENT

We enjoy very positive relationships with various Government departments, especially the Home Office and the Department for Trade and Industry. Following the Government reshuffle in May 2006, new Ministers were appointed into key roles in the area in which we work, namely, Vernon Coaker MP as Parliamentary Under-Secretary of State for Policing, Security and Community Safety at the Home Office and the Rt. Hon. Margaret Hodge MBE MP as Minister of State for Industry and the Regions at the DTI.

Indeed, Vernon Coaker MP, was kind enough to deliver a keynote address at the launch of our ten year anniversary conferences and campaign and visited us at IWF offices in Cambridge shortly after his appointment. We are aware that the issue of child abuse and other potentially illegal content online within our remit will continue to attract attention in the future because of the success of our self-regulatory model.

Mr Coaker MP said: “Working together, the IWF, industry, Government and law enforcement have made dramatic and continued progress in tackling the availability of illegal images of child abuse. You can see why the IWF lead the way in combating online child abuse content and have become a model of regulation that many other countries look to in developing their own capabilities.”

CEOP

The new Child Exploitation and Online Protection (CEOP) Centre was launched in April 2006. The Centre works throughout the UK and maximises international links to deliver a holistic approach that combines police powers with the dedicated expertise of the business sector, Government, specialist charities and other interested organisations who focus on tackling child sex abuse wherever and whenever it happens.

CEOP have spearheaded advances in tracking and apprehending paedophiles who operate online and have reached out to thousands of children around the UK, ensuring they are prepared and informed about going online and aware of the potential dangers the internet holds for its most vulnerable users. To clarify, whilst we concentrate on the removal of potentially illegal child abuse content on the internet, CEOP focus on detecting offenders, identifying victims and tackling the online exploitation of children via technologies such as social networking and peer-to-peer communication.

PUBLIC

It is the reports from the public which we rely on to carry out our work removing potentially illegal online content. It is crucial that internet users across the UK are aware of our ‘Hotline’ reporting mechanism. If anyone accidentally stumbles across potentially illegal online content within our remit, they should visit our website (www.iwf.org.uk) to file a report. These reports are easy to make and can be submitted anonymously.

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**THANK YOU TO OUR MEMBERS
AND SPONSORS WITHOUT WHOSE
SUPPORT WE COULD NOT
CONTINUE OUR WORK**

£20,000 +



£5,000 +



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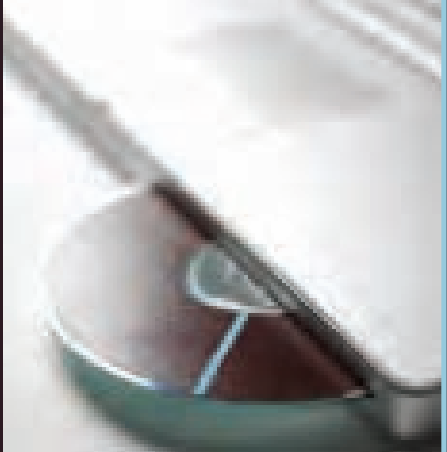
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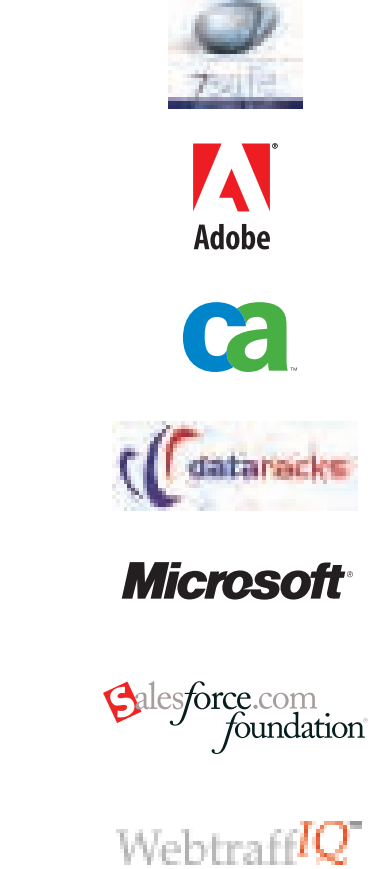
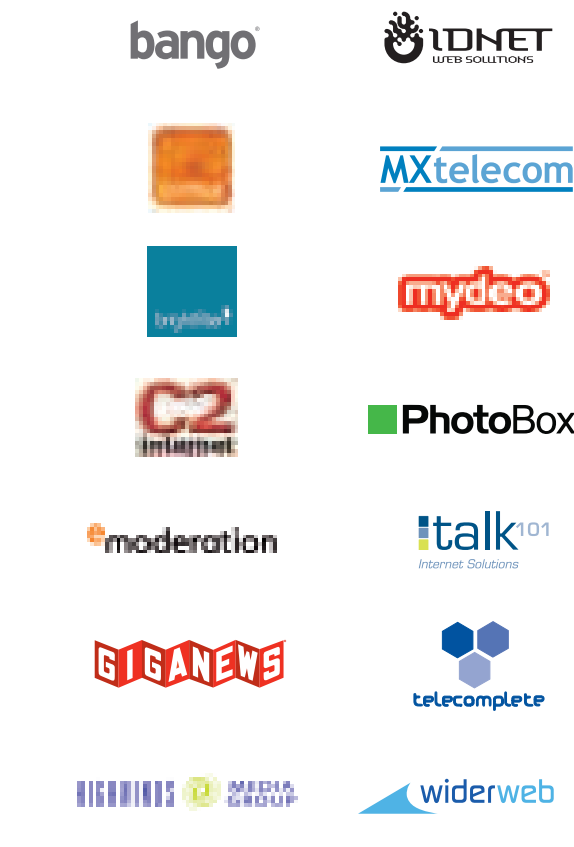
"LINX, ONE OF THE WORLD'S LARGEST ISP MEMBERSHIP ORGANISATIONS, IS PROUD TO BE A FOUNDING MEMBER OF THE IWF AND TO CONTINUE ITS SUPPORT. THE IWF'S SUCCESS DEMONSTRATES THE INDUSTRY'S COMMITMENT TO THE FIGHT AGAINST THE UNIQUELY UNACCEPTABLE PRESENCE OF CHILD ABUSE MATERIAL ONLINE."

MALCOLM HUTTY, HEAD OF PUBLIC AFFAIRS, LINX, THE LONDON INTERNET EXCHANGE



£500 +

SPONSORS





Our regional anniversary conferences were kindly hosted by local Members of Parliament

- 1 Home Office Minister, Vernon Coaker MP
- 2 John Hemming MP
- 3 Andrew Miller MP
- 4 David Clelland MP
- 5 Stephen Williams MP

AWARENESS

TENTH ANNIVERSARY

Marking a decade combating online images of child abuse we embarked on a series of conferences around the country and launched our first major public-facing awareness campaign.

Home Office Minister, Vernon Coaker MP, delivered a keynote address at the campaign launch at Central Hall, Westminster. Conferences and awareness-raising followed in Birmingham, Manchester, Newcastle and Bristol. At each event, we were kindly hosted by the regions' Members of Parliament, namely, John Hemming MP, Andrew Miller MP, David Clelland MP and Stephen Williams MP.

We welcomed nearly 1000 delegates to the conferences representing industry, child protection, teaching, police, IT professionals, Government and associated organisations and charities. Feedback has been extremely positive including requests for similar events to be run on an annual basis.

Each event included a panel discussion which was often the highlight of the conference and these were hosted by local television broadcasters: BBC London's Kurt Barling; Central News' Joanne Malin; Granada Reports' Lucy Meacock; BBC Look North's Sharon Barbour and ITV West's Lisa Aziz. The panellists included members of our Board as well as a number of experts and specialists from the regions' police forces, charities, industry and other organisations.

Our Chair, Amanda Jordan OBE, introduced the events, outlining those individuals and organisations which have contributed to the development of the IWF over the past decade.

We would like to express our sincere appreciation to all those who helped to make our series of conferences such a resounding success.

Over 100 pieces of media coverage have been generated by the campaign and we secured a great deal of international attention, including in major publications in countries such as: Russia, US, Japan, Italy, Singapore, India, Canada, France, Germany and Bermuda. The BBC Online article was the 5th most read UK story on the BBC site on launch day, 24 October 2006, and peaked at the 2nd most read story overall.

We gave 20 press interviews during the course of the campaign and local radio interviews took place at the regional events.

Our anniversary provoked comment and debate on 52 blogs – all specifically focused around the ten year anniversary and the campaign has also driven visitors to our website, increasing them by 26 per cent over the road show period.

The valuable networking parts of the events brought together important key groups and gave them the chance to exchange views, establish relationships and hopefully to generate new initiatives. The events have also provided the opportunity to distribute information and literature to a wide array of professionals working in different areas.

A significant advertising campaign was launched in each region to coincide with each of the events and we hope many people had an opportunity to see examples in their area.

This was our first major public-facing awareness campaign and, together with the impact of our conferences and media coverage, we have made many more of the UK public and indeed, the world's public, aware of our work, our success and the free online reporting mechanism we operate for potentially illegal content within our remit on the internet.

The full impact of this campaign has been evaluated and results will be published in due course. We are particularly pleased to reveal that, from a baseline of 1% awareness of the IWF and its role amongst UK adult internet users (*Ofcom Media Literacy Audit, 2 March 2006*), our research now shows comparative awareness levels of 10% amongst adult internet users in the five UK regions in which we held conferences, placed advertising and carried out PR activities.

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The panel discussions at our regional anniversary conferences were chaired by local TV presenters

- 6 Kurt Barling, BBC London
- 7 Joanne Malin, Central News
- 8 Lucy Meacock, Granada Reports
- 9 Sharon Barbour, BBC Look North
- 10 Lisa Aziz, ITV West

POLICE CAMPAIGN

Although we have positive links to all British Police Services and we are an important partner to the Child Exploitation and Online Protection (CEOP) Centre, research showed that our role and remit were not clear enough amongst police staff.

In a partnership approach with the Association of Chief Police Officers (ACPO) we delivered an integrated awareness campaign providing each police force webmaster with up-to-date information together with our logo for uploading to their force website. We encouraged them to also add an IWF web link to their homepage to ensure the public are helped as effectively as possible. Campaign materials were sent to every UK police call centre as well as front desk staff to help them provide advice to the public on such matters.

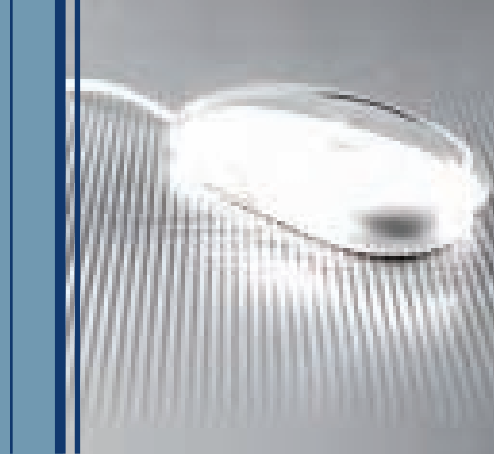
In addition, a series of adverts were placed in issues of police magazines to increase the reach of this message.

Following our police campaign there has been a 17.3% increase in the police websites that mention us and a 19% increase in websites that display an accurate description of our role and remit. There has also been a 10% increase in the websites that link to IWF and a 27.3% increase in the number of police websites that display our logo, with a 68.5% increase of those displaying our new logo. These activities will be repeated annually.

LIBRARY CAMPAIGN

Libraries are points of information for the public as well as being places to use the internet and, as such, are important points of communication for an organisation like us. We dispatched posters, cards and leaflets, sponsored by AOL, to over 3,000 libraries in England, Northern Ireland, Scotland and Wales. We have since received hundreds of requests for additional materials and the campaign has been very well received.

The literature we sent was accompanied by a letter in support from a relevant authority, for example, David Lammy MP, Minister for Culture wrote to all English libraries and Elaine Fulton, Director of the Scottish Library and Information Council and CILIP in Scotland, wrote a letter to those in Scotland.



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CHARITY REPORT FINANCIAL STATEMENT YEAR ENDED 31 MARCH 2006

Reserves Policy

The Board of Trustees has agreed to hold a reserve of approximately £300,000, equivalent to six months running costs for the IWF. The interim reserve was based upon an initial assessment of risk and liability and the Trustees will carry out further work which sets out the IWF Reserves Policy in more detail. In 2005/06, the Board covenanted up sufficient profits from its trading subsidiary to establish the agreed level of reserve within IWF.

Investment Policy

The agreed level of reserve ensures IWF could continue during a period of unforeseen difficulty and takes into account the impact of IWF reducing or winding up its operation. Therefore, the Board of Trustees has agreed that in the interim the reserve should be held in a readily realisable form in high interest bank accounts. In 2005/6, IWF reviewed banking arrangements in order to ensure the best available interest rates.

Risk Review

Risk review is an integral part of the planning, budget, forecasting and management cycle of IWF and takes into account:

- Income streams and expenditure varying from forecast which is addressed through the reserves policy
- Staff welfare which has been addressed through the staff welfare policy
- Potential liabilities which have been indemnified through appropriate insurances
- Information security where IWF is working towards achieving ISO 27001
- Property and assets where IWF has audited procedures in place

IWF executive has completed a major review of all potential risks faced and the Board of Trustees is in the process of establishing a procedure for completing and reviewing risk analysis and the associated reporting procedures.

On behalf of the Board

P E Robbins
Secretary

Date: 3 October 2006



General Information

The summarised financial statements are taken from the audited financial statements of Internet Watch Foundation for the year ended 31 March 2006. 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 3 October 2006 and were submitted to the Registrar of Companies on 24 November 2006. The financial statements were submitted to the Charity Commission for England and Wales on 19 December 2006.

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 within its remit.

Internet Watch Foundation, company number 3426 366, is also a registered charity, number 1112 398.

The charity also has a subsidiary company, Internet Watch Limited, company number 3257 438, which passes its profits to the charity by way of a charitable donation.

The funds of Internet Watch Foundation comprise wholly of unrestricted funds.

During 2005/06 total expenditure on charitable objects was £807,732 (2004/05: £719,250).

Internet Watch Foundation

AUDITORS' STATEMENT

We have examined the summarised financial statements for the year ended 31 March 2006.

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.

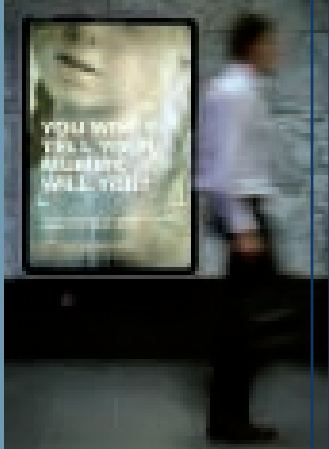
Opinion

In our opinion the summarised financial statements are consistent with the full financial statements and trustees' annual report for the year ended 31 March 2006 and comply with the applicable requirements of section 251 of the Companies Act 1985 and the regulations made there under 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

Date: 3 October 2006



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Internet Watch Foundation

Statement of Financial Activities

Year ended 31 March 2006

	2006 £	2005 As restated £
Incoming Resources		
Subscription and grant income – trading subsidiary	893,033	875,914
Investment income and interest	8,379	5,529
Total incoming resources	901,412	881,443
Resources Expended		
Charitable activities – trading subsidiary	807,732	719,250
Governance costs	14,374	15,984
Total resources expended	822,106	735,234
Net incoming resources for the year	79,306	146,209
Fund balances brought forward at 1 April 2005	332,826	186,617
Fund balances carried forward at 31 March 2006	412,132	332,826

Internet Watch Foundation

Summary Consolidated Balance Sheet

31 March 2006

	2006 £	2005 £
Fixed Assets		
Tangible fixed assets	12,194	18,547
	12,194	18,547
Current Assets		
Debtors	278,863	235,728
Cash at bank and in hand	357,479	338,931
	636,342	574,659
Creditors: amounts due within one year	(236,404)	(260,380)
Net current assets	399,938	314,279
Total Assets Less Current Liabilities	412,132	332,826
Funds		
General Fund	412,132	332,826
Total Charity Funds	412,132	332,826

www.iwf.org.uk



The UK nation for reporting illegal content specifically:
This area helps locate websites and criminally obscene and incitement to racial hatred content hosted in

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How to get the most from this website

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Pages accessible by the public

MEDIA CENTRE

Pages reserved for the press and opinion

CORPORATE AREA

Company profiles

CLICK HERE
**REPORT
 ILLEGAL
 CONTENT**



GOVERNMENT

Government partnerships

POLICE & LAW

Police Areas & Laws

MEMBERS

Member information

CHARITY AREA

Charity support for the IWF

International Region



Internet Watch Foundation

East View
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

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Remove

