

iCommons Ltd.
(A company limited by guarantee)

Report and Financial Statements

Year ended 31st March 2005

Charity number: 1111577

Company number: 5398065

iCommons Limited

Report of the trustees for the year ended 31st March 2006

The trustees are pleased to present their first report together with the financial statements of the charity for the year ending 31st March 2006, the first year of the company's existence.

Reference and administrative details

Charity number: 1111577

Company number: 5398065

Principal Office (temporary): No. 54 Bath Ave., First Floor, Offices at the Grace of Rosebank, Johannesburg, South Africa

Registered Office: c/o WilmerHale, 5th Floor, Alder Castle, 10 Noble Street, London EC2V 7QJ, United Kingdom.

Auditors: None at present

Bankers: None at present

Solicitors: WilmerHale, Alder Castle, 10 Noble Street, London, EC2V 7QJ, United Kingdom

Trustees:

The directors are the trustees of the charity for the purpose of charity law and throughout this report are collectively referred to as the trustees.

This report covers the first year of the company's operation. The trustees who have served during the year and since the year end are first trustees or trustees elected by the first trustees. They are as follows:

Chairman	Joichi Ito	(first trustee)
	Heather Ford	(appointed 21 September 2005, resigned 1 March July 2006)
	Paul Keller	(appointed 21 September 2005)
	Ronaldo Lemos	(appointed 21 September 2005)
	Lawrence Lessig	(first trustee and representative of the beneficiary)
	Anthony Lilley	(appointed 21 September 2005)
	Tomislav Medak	(appointed 1 January 2006)
	Jimmy Wales	(appointed 21 September 2005)
	Jonathan Zittrain	(first trustee)

Secretary Diane Cabell

Acting Executive Director: Heather Ford (appointed 1 March 2006)

Structure, governance and management

Governing Documents

iCommons Ltd. is a company limited by guarantee governed by its Memorandum and Articles of Association dated 18 March 2006 and amended to allow for current charitable objects arrangement on 24 August 2005. The Memorandum and Articles are posted online at <<http://ibiblio.org/cccr/docs/icomarticles.pdf>> and <<http://ibiblio.org/cccr/docs/icommemo.pdf>>. It is registered as a charity with the Charity Commission. The sole member is Creative Commons Corporation, a United States public charity registered in the Commonwealth of Massachusetts. To avoid confusion with the sole member, the name of the charity was changed from Creative Commons International Ltd. to iCommons Ltd. on 16 November 2005. See <<http://ibiblio.org/cccr/docs/icomname.pdf>>.

Appointment of trustees

iCommons adopted the model Articles and Memorandum of Association suggested by the Charity Commission. Under those provisions, the chair of the trustees is nominated by the board of trustees. Trustees may be appointed by a vote of the current trustees or elected by vote of the member. During the first year, all current trustees were appointed by special resolution of the existing trustees for annual terms to last for one year or until the Annual General Meeting, whichever comes first.

Trustee induction and training

The trustees are geographically dispersed throughout the world, therefore an induction meeting is impractical. New trustees are, however, provided with a packet of written materials to assist them in performing their responsibilities. Included in the packet are copies of the Memorandum and Articles of Association, minutes of all previous meetings, a memorandum on UK directors' duties prepared for the company by UK counsel, and a copy of the Charity Commission publication CC3 – The Essential Trustee. Future packets will include a copy of the most recent Annual Report and Annual Return with associated financial statements.

Organisation

The board of trustees administers the charity. It consists of eight (8) persons at present. The board meets bi-annually, once by teleconference and once by physical meeting. Special meetings are also held by teleconference, as needed. The charity has not yet hired any staff as it is still researching the optimal organizational structure to accomplish its mission and has not raised sufficient funds to pay salaries. A former trustee has recently agreed to serve as Acting Executive Director (AED) for the purpose of establishing operations and securing initial funding. The AED reports to the Chairman of the board of trustees. To facilitate effective operations, the AED has been authorized by the trustees to establish a bank account and manage such functions as are necessary to begin actual operations.

Related parties

The charity has a close relationship with Creative Commons Corp., a US charity that serves as the sole member and guarantor. Creative Commons (CC) was founded in 2001 by a number of distinguished academicians who wanted to ensure public access to digital copies of common knowledge, information and culture in face of increasing restrictions imposed on the use of same by recent expansions in intellectual property laws.

CC sponsored the formation of the charity in order to encourage global adoption of free use licenses (collectively known as “open sharing practices”) by which authors signal in advance that their works may be freely copied and re-distributed by the public for noncommercial purposes.

Risk management

The trustees have a risk management strategy which is comprised of (a) continuous review by counsel of potential risks arising from program activities, (b) securing adequate insurance to cover operations and (c) obtaining an annual independent audit of financial statements.

Objectives and activities

The object of the charity is to advance education for the benefit of the public in the wider dissemination of non-commercial sharing of scientific, creative and other intellectual works by the general public.

The charity has the general aim of contributing to public knowledge and culture by encouraging more authors to formally adopt open sharing practices so that noncommercial users, particularly scholars, can legally copy and redistribute information without the burden and distraction of time-consuming permissions procedures. By encouraging the use of open sharing practices, large noncommercial institutions such as schools, can reduce the expense and burden of securing authorizations. By encouraging software developers to share their code freely for noncommercial use, individuals in southern nations can access and use sophisticated software applications at no cost. By encouraging scholarly journals to make articles available under free “open access” privileges within 6 months of initial publication, medical schools that cannot afford expensive subscriptions to every possible journal can now get the same information for free, if only after a short delay.

By making institutions and individuals aware of the benefits to society from unlimited access to knowledge and culture, one also hopes to encourage contributions to the public domain and better ensure that the public can access its own information and heritage.

The strategies employed to achieve the charity’s objectives include:

- providing opportunities for authors, artists, scientists and other creators, for scholars, governments and nonprofit institutions specifically and for the public more generally to learn about the use of open sharing practices,
- developing software tools and applications that allow creators to easily identify the free uses that can be made of their work and permit users to easily locate works that are legally free to use; and
- developing a network of volunteers and collaborating institutions around the world to support the activities of the charity by promoting local adoption of open sharing practices within their jurisdictions.

Achievements and performance

There were no major activities in the past year as sufficient funding was not secured. Major activities in future are expected to include informational conferences and public presentations, publications and a website.

The achievements during the first year included

- appointing additional trustees who represent target organizations and communities,
- researching organizational strategies and structures for the development of a network of volunteers,
- identifying and approaching potential collaborating institutions,
- generating grant proposals and soliciting private donations, and
- hiring an Acting Executive Director to oversee the launch of active operations in 2006.

Commitments for funding of the first year of active operations were successfully secured. Program operations will commence in June 2006.

Financial review

There were not sufficient funds in the first year to begin active operations. All services were provided without compensation by the Trustees and officers. The only asset of the charity is a single donation cheque of £2500 which was received late in the fiscal year and is being held for deposit when a bank account is opened. During the first year, the trustees privately solicited funds from several sources which resulted in successful commitments for funding beginning in fiscal year 2006 when active operations will commence. No expenditures were undertaken, no investments were made and no grants were issued.

An application for a company bank account has been submitted to Barclays and is awaiting approval.

Because the Acting Executive Director was not secured until the end of the fiscal year, the precise range and level of program services has not yet been determined. Consequently, the trustees have not yet identified the level of income reserves that should be maintained to meet the needs of the charity.

Under the Memorandum and Articles of Association, the charity has the power to invest in any way the trustees wish, subject to the conditions placed on trustees of a trust by the Trustee Act 2000.

Plans for future periods

The trustees expect to approve a strategic plan for the organization and to approve written policies in regard to reserves, investments, and grantee selection at the Annual General Meeting in June 2006.

Trustees' responsibilities in relation to the financial statements

The Articles of Association require the trustees to prepare annual accounts as required by section 226 and 227 of the Companies Act of 1985. These accounts must show a true and fair view and follow accounting standards issued or adopted by the Accounting Standards Board or its successors and adhere to the recommendations of applicable Statements of Recommended Practice. The Trustees are also required to keep accounting records as required by sections 221 and 222 of the Act.

As the company's trustees, we certify that:

- so far as we are aware, there is no relevant financial information of which we are unaware; and

- as the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant financial information.

Auditors

As the charity expects to receive more than £10,000 in revenue in the next fiscal year, a resolution will be proposed at the Annual General Meeting that Trustient be appointed as auditors to the charity for the ensuing year.

By order of the Trustees

Diane Cabell, Secretary

22 June 2006