

UNLOCK DEMOCRACY
(A company limited by
guarantee)

REPORT AND UNAUDITED FINANCIAL STATEMENTS
(Incorporating accounts of UD Unincorporated
- formerly New Politics Network
Unincorporated)

31 MARCH 2012

UNLOCK DEMOCRACY

FINANCIAL STATEMENTS

For the year ended 31 March 2012

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UNLOCK DEMOCRACY

REFERENCE AND ADMINISTRATIVE DETAILS

For the year ended 31 March 2012

Chantrey Vellacott DFK LLP

Council

Vicky Seddon (Chair)
Rosemary Bechler (appointed 7 July 2012)
Andrew Blick
Liz Carlton (appointed 7 July 2012)
Chris Carrigan (appointed 7 July 2012)
Stephen Carter (appointed 7 July 2012)
Peter Davidson (resigned 7 July 2012)
Alan Debenham
Eithne George (appointed 7 July 2012)
Stuart Hill
Peter Hirst
Linda Hoffman (resigned 7 July 2012)
Tasmin James (resigned 7 July 2012)
Finola Kelly
Susan Murray
Mick Pitt (resigned 7 July 2012)
Owais Rajput (appointed 7 July 2012)
Mary Southcott (appointed 7 July 2012)
Nan Sloane (resigned 7 July 2012)
Phil Starr
John Strafford
Mark Valladares (resigned 7 July 2012)
Diana Wallis (appointed 7 July 2012)
Stuart Weir
Danny Zinkus-Sutton (appointed 7 July 2012)

Secretary

Alex Runswick

Director

Peter Facey

Company reg. no.

02440899

Registered office

37 Gray's Inn Road
London
WC1X 8PQ

Reporting Accountants

Chantrey Vellacott DFK LLP
Russell Square House
10-12 Russell Square
London
WC1B 5LF

Bankers

The Co-operative Bank
P O Box 250
Delf House
Southway
Skelmersdale
WN8 6WT

UNLOCK DEMOCRACY

REPORT OF THE COUNCIL

For the year ended 31 March 2012

The Council (which is the board of directors for company law purposes) presents its report and the accounts for the year ended 31 March 2012. Reference and administrative details on page 1 form part of this report.

The financial statements comply with applicable law, the Memorandum and Articles of Association and the Statement of Recommended Practice Accounting and Reporting by Charities (issued in March 2005 and revised in July 2008). Although the organisation is not a UK registered charity, this has been done to comply with best practice, as Unlock Democracy views itself as a not for profit organisation.

OBJECTS

The object for which the Company was established is to encourage constitutional and democratic changes inspired by the arguments and demands of its Charter, entitled Charter88, published in 1988. It is principally involved in educative, informative, campaigning and lobbying activities for constitutional and democratic reform in the UK.

GOING CONCERN

No material uncertainties that may cast significant doubt about the ability of the company to continue as a going concern have been identified by the directors.

REVIEW OF ACTIVITIES AND ACHIEVEMENTS

Over the last 12 months Unlock Democracy has campaigned on a number of issues including lobbying, party funding, lords reform, recall, localism and on wider the constitutional organisation.

The organisation has also expanded the use of its voter advice application - Vote Match. More details of our work can be found in the organisations annual report which can be found on our website <http://www.unlockdemocracy.org.uk>.

Financial Review

The organisation continued to prioritise fundraising and also reformed its relationship with its subsidiary company - Rodell Properties Ltd. The result was that the organisation ended the year with a £44,751 surplus.

Reserves

UD aims to hold a minimum of two months' of staff costs as reserves; equating to around £50,000. Reserves at the year end were £108,676.

PREPARATION OF THE REPORT

This report has been prepared taking advantage of the small companies exemption of section 415A of the Companies Act 2006.

This report was approved and authorised for issue by the AGM on 10 November 2012 and signed on its behalf by:

Vicky Seddon

Chair

UNLOCK DEMOCRACY

CHARTERED ACCOUNTANTS' INDEPENDENT ASSURANCE REPORT ON THE UNAUDITED FINANCIAL STATEMENTS OF UNLOCK DEMOCRACY

To the Council of Unlock Democracy ('the Company')

We have performed certain procedures in respect of the Company's unaudited financial statements for the year ending 31 March 2012 as set out on pages 4 to 5, made enquiries of the council and assessed accounting policies adopted by the council, in order to gather sufficient evidence for our conclusion in this report.

This report is made solely to the council, as a body, in accordance with the terms of our engagement letter. It has been released to the council on the basis that this report shall not be copied, referred to or disclosed, in whole (save for the council's own internal purposes or as may be required by law or by a competent regulator) or in part, without our prior written consent. Our work has been undertaken so that we might state to the council those matters that we have agreed to state to them in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the council as a body for our work, for this report or the conclusions we have formed.

Respective responsibilities

You have confirmed that you have met your duty as set out in the council's statement on page 2. You consider that the Company is exempt from the statutory requirement for an audit for the year 31 March 2012. Our responsibility is to form and express an independent conclusion, based on the work carried out, to you on the financial statements.

Scope

We conducted our engagement in accordance with the Institute of Chartered Accountants in England and Wales' Interim Technical Release AAF 03/06. Our work was based primarily upon enquiry, analytical procedures and assessing accounting policies in accordance with Generally Accepted Accounting Practice in the UK. If we considered it to be necessary, we also performed limited examination of evidence relevant to certain balances and disclosures in the financial statements where we became aware of matters that might indicate a risk of material misstatement in the financial statements.

The terms of our engagement exclude any requirement to carry out a comprehensive assessment of the risks of material misstatement, a consideration of fraud, laws, regulations and internal controls, and we have not done so. We are not required to, and we do not, express an audit opinion on these financial statements.

Conclusion

Based on our work, nothing has come to our attention to refute the council's confirmation that in accordance with the Companies Act 2006 the financial statements give a true and fair view of the state of the Company's affairs as at 31 March 2012 and of its surplus for the year 31 March 2012 then ended and have been properly prepared in accordance with Generally Accepted Accounting Practice in the UK.

CHANTREY VELLACOTT DFK LLP
Chartered Accountants

London

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UNLOCK DEMOCRACY

**STATEMENT OF FINANCIAL ACTIVITIES (incorporating an Income and Expenditure Account)
For the year ended 31 March 2012**

	Notes	Unrestricted Funds 2012 £	Restricted Funds 2012 £	Total Funds 2012 £	Total Funds 2011 £
INCOMING RESOURCES					
Incoming resources from generated funds:					
Grants	2	55,073	93,884	148,957	122,250
Donations	3	54,597	17,735	72,332	128,835
Investment income: dividend		23,603	-	23,603	-
Legacies		10,000	40,000	50,000	44,423
Subscriptions		115,358	-	115,358	107,403
Management charge: Rodell Properties	13	61,556	-	61,556	55,064
Management charge: Take Back Parliament		-	-	-	8,650
Votematch website:					
Development, hosting and maintenance		42,639	-	42,639	22,389
Telemarketing		8,000	-	8,000	15,716
Interest receivable		1,286	-	1,286	1,351
Publications sales		-	-	-	100
Other incoming resources		<u>1,780</u>	-	<u>1,780</u>	<u>1,456</u>
TOTAL INCOMING RESOURCES		<u><u>373,892</u></u>	<u><u>151,619</u></u>	<u><u>525,511</u></u>	<u><u>507,637</u></u>
RESOURCES EXPENDED					
Costs of generating funds:					
Fundraising and direct mailing		95,077	-	95,077	123,138
Activities in furtherance of objects:					
Direct campaigning		184,901	152,560	337,461	370,397
Membership communications		28,113	-	28,113	51,744
Governance costs		<u>20,109</u>	-	<u>20,109</u>	<u>13,229</u>
TOTAL RESOURCES EXPENDED	4	<u><u>328,200</u></u>	<u><u>152,560</u></u>	<u><u>480,760</u></u>	<u><u>558,508</u></u>
Net incoming/(outgoing) resources for the year being net income/(expenditure)		45,692	(941)	44,751	(50,871)
Transfer between funds	11	20,340	(20,340)	-	-
TOTAL FUNDS AT 1 APRIL 2011		<u>32,656</u>	<u>31,269</u>	<u>63,925</u>	<u>114,796</u>
TOTAL FUNDS AT 31 MARCH 2012		<u><u>98,688</u></u>	<u><u>9,988</u></u>	<u><u>108,676</u></u>	<u><u>63,925</u></u>

Chantrey Vellacott DFK LLP

UNLOCK DEMOCRACY

BALANCE SHEET
As at 31 March 2012

	Notes	2012	2011
		£	£
FIXED ASSETS			
Tangible assets	8	16,681	11,544
CURRENT ASSETS			
Debtors	9	85,524	106,898
Cash at bank and in hand		50,806	58,824
		<u>136,330</u>	<u>165,722</u>
CREDITORS: amounts falling due			
Within one year	10	(44,335)	(113,341)
NET CURRENT ASSETS		<u>91,995</u>	<u>52,381</u>
NET ASSETS		<u>108,676</u>	<u>63,925</u>
FUNDS			
Restricted funds	11	9,988	31,269
Unrestricted funds:			
Designated funds	11	-	-
General fund	11	98,688	32,656
		<u>108,676</u>	<u>63,925</u>
		<u>108,676</u>	<u>63,925</u>

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477(2), and that no member or members have requested an audit pursuant to section 476(1) of the Act.

The directors acknowledge their responsibility for:

- (i) ensuring that the company keeps adequate accounting records which comply with section 386 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 393, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

These financial statements were approved and signed by the directors and authorised for issue on.....

Vicky Seddon
Chair

1. ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in 2011 to the extent that this is considered helpful given that Unlock Democracy is not a registered charity, applicable accounting standards.

The effects of events relating to the year ended 31 March 2012 which occurred before the date of approval of the financial statements by the Council has been included in the financial statements to the extent required to show a true and fair view of the state of affairs at 31 March 2012 and the results for the year ended on that date.

Company status

Unlock Democracy is a company limited by guarantee. In the event of the Company being wound up, the liability in respect of the guarantee is limited to £10 per member of the Company.

Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Council in furtherance of the general objects of the Company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Council for particular purposes. The aim and use of each designated fund is set out in Note 11 to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the Company for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in Note 11 to the financial statements.

Incoming resources

All incoming resources are included in the Statement of Financial Activities when the Company is legally entitled to the income and the amount can be quantified with reasonable accuracy. Voluntary income is received by way of grants, donations, legacies and other incoming reserves generated for use in furtherance of the company's activities and are all recognised on a receivable basis.

Funds received for the purchase of fixed assets are accounted for as restricted income. The treatment of the assets provided depends upon the restriction imposed by the grant and as the fixed assets' acquisition discharges the restriction then the assets will be held in the restricted tangibles fixed asset reserve. A corresponding transfer of the associated restricted income will be made to the unrestricted fund in the year of purchase.

Local groups

The financial statements include the transactions of Unlock Democracy only and not those of its local groups which operate regionally to support its campaigning aims. This is because the local group licence agreement entered into by all the groups makes it clear that they are entirely independent of the Company, that all transactions are carried out in their own name and that they do not represent to be contracting on behalf of the Company.

UNLOCK DEMOCRACY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2012

Resources expended

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Support costs, which cannot be directly attributed to particular activities, have been apportioned proportionately to the direct staff costs allocated to the activities. Governance costs include the costs of servicing Council meetings, statutory accounts and strategic planning.

Tangible fixed assets and depreciation

Computer software costs and items costing under £500 are not capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Office equipment - 4 years

2. GRANTS

	Unrestricted Funds 2012 £	Restricted Funds 2012 £	Total Funds 2012 £	Total Funds 2011 £
Joseph Rowntree Reform Trust	-	56,634	56,634	82,000
The Joseph Rowntree Charitable Trust	-	17,250	17,250	17,250
Poverty & Environment Trust	-	20,000	20,000	13,000
Unlock Democracy unincorporated	55,073	-	55,073	10,000
	<u>55,073</u>	<u>93,884</u>	<u>148,957</u>	<u>122,250</u>

The accounts of Unlock Democracy unincorporated are annexed to these accounts.

3. DONATIONS

	Unrestricted Funds 2012 £	Restricted Funds 2012 £	Total Funds 2012 £	Total Funds 2011 £
Public & Commercial Services Union, via Poverty and Environmental Trust	-	6,000	6,000	-
Public & Commercial Services Union	-	-	-	2,000
Campaign for Real Ale	-	-	-	5,000
NFSP	-	-	-	3,000
Age UK (formerly Age Concern)	-	-	-	6,000
Federation of Small Businesses	-	-	-	2,000
Other fundraising & donations < £2,000	54,597	11,735	66,332	110,835
	<u>54,597</u>	<u>17,735</u>	<u>72,332</u>	<u>128,835</u>

UNLOCK DEMOCRACY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2012

4. RESOURCES EXPENDED

	Staff costs £	Direct costs £	Support costs £	Total 2012 £	Total 2011 £
Activities in furtherance of objects:					
Direct campaigning	211,593	97,661	28,207	337,461	370,397
Membership communications	20,337	5,063	2,713	28,113	51,744
	<u>231,930</u>	<u>102,724</u>	<u>30,920</u>	<u>365,574</u>	<u>422,141</u>
Costs of generating funds					
- fundraising and direct mailing	66,857	19,308	8,912	95,077	123,138
Governance costs	7,712	11,368	1,030	20,109	13,229
Support costs	-	40,861	(40,861)	-	-
	<u>306,499</u>	<u>174,261</u>	<u>-</u>	<u>480,760</u>	<u>558,508</u>
Direct costs:					
Campaigning	-	see Note 5			
Membership communications	-	publications and website			
Fundraising	-	direct mail and telemarketing			
Governance	-	legal and professional fees including reporting			
		accountants' fees of £5,290 (2011 - £4,000)			
Support costs	-	see Note 6			

5. DIRECT COSTS OF CAMPAIGNING

	2012 £	2011 £
Campaigns and political activities	95,533	85,001
Volunteers, interns	988	872
Conference attendance	956	9,935
Donation to Charter 88 Foundation	114	-
Corporation tax (see below)	-	-
	<u>97,661</u>	<u>95,808</u>

As discussed in Note 12, for the year ending March 2012 the corporation tax cost has been charged against the interest receivable on which it arises.

UNLOCK DEMOCRACY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2012

6. SUPPORT COSTS	2012	2011
	£	£
Staff training and recruitment	3,999	2,967
Staff travel and subsistence	1,276	2,075
New website & e-campaigning	1,080	-
Bank and sundry finance charges	4,378	4,670
Dues and subscriptions	584	1,760
Depreciation	5,611	738
Telecommunications	1,831	6,192
IT software and maintenance	9,524	3,895
Printing, postage and stationery	1,200	4,344
Rent, services	-	4,188
Insurance	850	812
Heat and light	-	249
Household and keyholding	1,213	2,470
Committees	4,350	3,529
AGM, elections, referenda	1,948	3,585
Irrecoverable VAT	949	2,816
Reference material	295	399
Miscellaneous	1,773	2,942
	<u>40,861</u>	<u>47,631</u>

UNLOCK DEMOCRACY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2012

7. STAFF NUMBERS AND COSTS	2012	2011
	£	£
Wages and salaries	270,953	263,049
Social security costs	27,034	26,091
Pension costs	8,512	6,958
	<u>306,499</u>	<u>296,098</u>

The average weekly number of employees, calculated as full time equivalent, during the period was:

	Number	Number
	2012	2011
Direct campaigning	6.1	6.8
Membership services	0.6	0.8
Fundraising	1.9	0.8
Governance	<u>0.2</u>	<u>0.2</u>
	<u>8.8</u>	<u>8.6</u>

No employee received remuneration of more than £60,000.

UNLOCK DEMOCRACY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2012

8. TANGIBLE FIXED ASSETS

	Office Equipment £	Website £	Total £
Cost			
At 1 April 2011	21,604	10,170	31,774
Additions	578	10,170	10,748
At 31 March 2012	<u>22,182</u>	<u>20,340</u>	<u>42,522</u>
Depreciation			
At 1 April 2011	20,230	-	20,230
Charge for the year	526	5,085	5,611
At 31 March 2012	<u>20,756</u>	<u>5,085</u>	<u>25,841</u>
Net book value			
At 31 March 2011	1,374	10,170	11,544
At 31 March 2012	<u>1,426</u>	<u>15,255</u>	<u>16,681</u>

DEBTORS

Due within one year

Cost

	2012 £	2011 £
Trade debtors	-	9,326
Legacies receivable	-	25,000
Rodell Properties Ltd, loan (see Note 13)	60,664	60,664
Rodell Properties Ltd, current account	15,617	-
Prepayments and accrued income	3,815	3,347
Other debtors	5,428	8,561
	<u>85,524</u>	<u>106,898</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £	2011 £
Trade creditors	13,373	23,279
Rodell Properties Ltd, current account (see Note 13)	-	78,676
VAT Liability	6,355	-
Corporation tax	322	359
Social security and other taxes	7,967	7,027
Pension	1,518	-
Accruals	14,800	4,000
	<u>44,335</u>	<u>113,341</u>

UNLOCK DEMOCRACY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2012

11. RESOURCES EXPENDED

	Brought Forward	Incoming Resources	Resources Expended	Transfers	Carried Forward	
	£	£	£	£	£	
RESTRICTED FUNDS						
From Joseph Rowntree Reform Trust Ltd:						
a	New website & e-campaign	15,000	18,300	(2,052)	(20,340)	10,908
b	Take Back Parliament	11,036	-	(11,036)	-	-
c	Campaign for Democratic Reform	-	33,334	(33,334)	-	-
d	Sustainable Communities	1,751	49,985	(52,656)	-	(920)
e	Novas Scarman	-	40,000	(40,000)	-	-
f	Enough's Enough Group	3,227	-	(3,227)	-	-
g	Local groups	255	-	(255)	-	-
h	Poverty & Environment Trust	-	10,000	(10,000)	-	-
		<u>31,269</u>	<u>151,619</u>	<u>(152,560)</u>	<u>(20,340)</u>	<u>9,988</u>

The transfer between funds represents release of restricted funds used to purchase fixed assets and relates to the website.

	Brought Forward	Incoming Resources	Resources Expended	Transfers	Carried Forward
	£	£	£	£	£
SUMMARY OF FUNDS					
Designated Funds	-	-	-	-	-
General fund	<u>32,656</u>	<u>373,892</u>	<u>(328,200)</u>	<u>20,340</u>	<u>98,688</u>
Unrestricted funds	32,656	373,892	(328,200)	-	78,348
Restricted funds	<u>31,269</u>	<u>151,619</u>	<u>(152,560)</u>	<u>(20,340)</u>	<u>9,988</u>
	<u>63,925</u>	<u>525,511</u>	<u>(480,760)</u>	<u>-</u>	<u>108,676</u>

Funds listed above have been received for the following purposes:

- a To develop a new website and hire e-campaign tools, the costs of which have been capitalised (see Note 8)
- b To support the Take Back Parliament campaign and to develop activists and local groups.
- c To campaign for democratic reform in the UK, in particular House of Lords reform, lobbying and party funding reform.
- d To ensure that the Sustainable Communities Act, having become law, is used to its full potential.
- e To promote active citizenship and improve public understanding of the importance of democracy and good governance.
- f Research into a website, Party Watch, to provide details of donations to political parties.
- g For encouraging grassroots activism in supporting local Unlock Democracy groups.
- h To cover all the company's charitable activities.

All year end restricted and designated fund balances were represented by net current assets.

UNLOCK DEMOCRACY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2012

12. TAXATION

	2012	2011
	£	£
UK corporation tax on profit of the year	<u>322</u>	<u>359</u>

No tax liability arises on the Company's voluntary income. Corporation tax is charged at the small companies rate of 20% (2011 - 21%) on the Company's interest receivable, against which it has been charged in the Statement of Financial Activities.

13. RELATED PARTIES

Unlock Democracy unincorporated (UD unincorporated) is an unincorporated association. As explained further in the note to those accounts, the directors of Unlock Democracy (UD) are elected by the members of UD unincorporated which in turn owns its landlord, Rodell Properties Ltd (Rodell) which, like UD, is a company registered in England & Wales. UD directly owns 30% of Rodell Properties Limited.

During the year management charges of £61,556 (2011: £55,064) and loan interest of £1,517 (2011: £1,625) were charged by Unlock Democracy to Rodell Properties Limited. £47,580 was repaid to Unlock Democracy during the year. At the year end, Rodell Properties Limited owed Unlock Democracy £15,493 (2011: Debtor £78,676) (see note 9).

The loan to Rodell (see Note 9) is unsecured and interest is payable annually at 2% above base rate; the loan is repayable on demand and £nil was repaid in the year. The year end balance was £60,664.

14. COUNCIL REIMBURSED EXPENSES

Expenses relating to travel and subsistence totalling £2,468 (2011 - £2,132) were reimbursed to 9 (2011 - 10) Members of Council (the Directors of Unlock Democracy).

UNLOCK DEMOCRACY UNINCORPORATED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2012

	2012	2011
	£	£
Dividend income	55,073	10,000
Grants		
Unlock Democracy	(55,073)	(10,000)
New Politics Network	-	-
	<u>-</u>	<u>-</u>
Operating surplus brought forward	-	-
	<u>-</u>	<u>-</u>
Retain surplus carried forward	-	-
	<u><u>Nil</u></u>	<u><u>Nil</u></u>

The annexed note forms part of these accounts

UNLOCK DEMOCRACY UNINCORPORATED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2012

	2012 £	2011 £
Investments (see below)	-	-
Current assets	-	-
Creditors: amounts falling due in one year	-	-
	<hr/>	<hr/>
Total assets less current liabilities	<u>Nil</u>	<u>Nil</u>
Capital and reserves	<u>Nil</u>	<u>Nil</u>

NOTE

Unlock Democracy unincorporated has no assets or liabilities except that it beneficially owns 70% of the shares in a property company called Rodell Properties Limited through 7 custodian trustees, each of whom owns 10 shares. The original shares in the company were given to the association and hence there is no cost shown in the balance sheet. The association passes dividend income received from Rodell Properties Limited to Unlock Democracy.

The association is administered by Peter Facey, who is company secretary of Rodell Properties and the CEO (director) of Unlock Democracy.