



**UNLOCK DEMOCRACY**  
**(A company limited by guarantee)**

**REPORT AND UNAUDITED FINANCIAL**  
**STATEMENTS**

**31 MARCH 2019**

**UNLOCK DEMOCRACY**

**FINANCIAL STATEMENTS**

**For the year ended 31 MARCH 2019**

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# UNLOCK DEMOCRACY

## REFERENCE AND ADMINISTRATIVE DETAILS

For the year ended 31 MARCH 2019

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**Directors – (Current)**

Jack Maizels (Co-Chair)  
Daniel Zinkus-Sutton (Co-Chair)  
Vicky Seddon  
Andrew Blick  
Stephen Carter  
Deborah Chay  
Rachel Collinson  
Ian Driver  
Peter Hirst  
Philip Starr  
Jessica Metheringham  
John Ferguson  
John Franglen (Appointed 11 July 2019)  
Mike Trace (Appointed 18 June 2019)

**Secretary** Alexandra Runswick

**Company reg. no.** 02440899

**Registered office** 33 Corsham Street  
London  
N1 6DR

**Reporting Accountants** Berley Chartered Accountants  
76 New Cavendish Street  
London  
W1G 9TB

# UNLOCK DEMOCRACY

## REPORT OF THE COUNCIL

For the year ended 31 MARCH 2019

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The Council (which is the board of directors for company law purposes) presents its report and the accounts of the company for the year ended 31 March 2019. Reference and administrative details on page 1 form part of this report.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with applicable law, the memorandum and articles of association and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to entities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102)" (as amended for accounting periods commencing from 1 January 2016). Although the organisation is not a UK registered charity, this has been done to comply with best practice, as Unlock Democracy is a not for profit organisation.

### STRUCTURE, GOVERNANCE AND MANAGEMENT

Unlock Democracy ("UD") is a cross party, unaffiliated, campaigning organisation which operates according to the constitution agreed at its founding AGM. It is a not for profit company limited by guarantee and is also the only shareholder in Rodell Properties Limited ("Rodell"), a property investment company.

Legal responsibility for the management and stewardship of Unlock Democracy rests with the Council, a board of directors directly elected by Unlock Democracy's members every two years. The procedures for Unlock Democracy's elections and replacing members of the Council in between elections are set out in the constitution. The Council then elects a chair or co-Chairs; a Vice-Chair with responsibility for Rodell; and a Management Board. They all serve 2 year terms.

Day-to-day management of Unlock Democracy is delegated to the Director and the Management Board, which is a sub-committee of the Council and is responsible for overseeing issues relating to staffing, finance, fundraising, membership and Rodell. The salaries for senior staff are agreed through an appraisal system and then approved by the Management Board.

At the first Council meeting after each election, there is an induction session attended by all members of the Council. They are also given an induction pack which sets out their responsibilities as company directors, including Unlock Democracy's governing documents, a document on how decisions are taken and at what level decisions are taken, as well as an overview of the governance of Rodell and its relationship to Unlock Democracy.

Unlock Democracy's Council is responsible for assessing and monitoring risks to Unlock Democracy both organisationally and politically. This was done as part of the strategy process and is reviewed annually.

#### Council members

Council members, who are also the directors for the purpose of company law, who served during the year were:

- Jack Maizels (Co-Chair)
- Danny Zinkus-Sutton (Co-Chair)
- Stephen Carter (Vice Chair-Policy)
- Phil Starr (Vice Chair-Rodell)
- Victor Anderson (Resigned 24 June 2019)
- Andrew Blick
- Debbie Chay
- Rachel Collinson

## **UNLOCK DEMOCRACY**

### **REPORT OF THE COUNCIL (*Continued*)**

**For the year ended 31 MARCH 2019**

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- Lisa French (Resigned 16 July 2018)
- Ian Driver
- James Grindrod (Resigned 16 July 2018)
- John Ferguson
- Sepi Golzari-Munro (Resigned 13 January 2019)
- Peter Hirst
- Jessica Metheringham (Appointed 16 July 2018)
- Andrew Manning (Resigned 16 July 2019)
- Malcolm Macintyre-Read (Appointed 16 July 2018, Resigned 6 July 2019)
- Vicky Seddon
- Jennifer Cronin (Resigned 16 July 2018)

#### **MEMBERSHIP**

Membership is open to all who support the purpose of the Organisation, pay the current membership subscriptions and abide by the constitution.

#### **OBJECTIVES AND ACTIVITIES**

Unlock Democracy argues and campaigns for a vibrant, inclusive democracy that puts power in the hands of the people.

We seek a democratic participative process resulting in a written constitution that serves and protects the people. That constitution would define the roles of, and relationships between, the Executive, Legislature and Judiciary. It would determine how, and to what extent, power is shared between representatives at local, national and United Kingdom levels, and with international organisations. It would enshrine basic liberties and human rights for all.

We campaign:

- for fair and open elections;
- for transparency in public decision making;
- to ensure that power is exercised as close to people as is practicable;
- to empower individuals and their communities to have a greater say over the decisions that affect them;
- for democratic accountability of all elected representatives, government and public bodies; and
- for universal human rights for all.

We promote:

- a new culture of informed political interest and responsibility, paving the way for increased enthusiastic public participation; and
- a pluralist democracy that is responsive to the problems and aspirations of all people, valuing and accommodating difference, diversity and universal human rights. Everyone has the right to live their life in dignity under the law, and free from fear.

## **UNLOCK DEMOCRACY**

### **REPORT OF THE COUNCIL (*Continued*)**

**For the year ended 31 MARCH 2019**

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Unlock Democracy is a non-aligned organisation, committed to working inclusively across the political spectrum. We seek to understand how democracy works in practice and to use evidence-based research to inform and develop policies. We stand against cynicism and disengagement, and for a living democracy with the people, all the people, at its heart.

#### **Activities**

Unlock Democracy runs campaigns for a vibrant, inclusive democracy that puts power in the hands of the people. This will be achieved by creating a new constitutional settlement, designed by a citizen-led, deliberative, constitutional convention.

Campaigning activities include mobilising supporters to take actions such as signing petitions, writing letters, contacting their elected representatives or holding and attending meetings. In addition to this we also lobby parliamentarians, comment in the media and produce educational materials in pursuit of our objectives. Unlock Democracy has updated its strategy and the Director reports against criteria set out in the strategy. This is reviewed regularly by Council. Details on the activities that have been run in this financial year can be found in the achievements and performance section below and in our annual report.

#### **ACHIEVEMENTS AND PERFORMANCE**

Brexit continues to dominate the political agenda but it has also provided opportunities for us to highlight the need for a new constitutional settlement, created by a citizen-led constitutional convention. An important area of work this year has been updating our strategy and researching, building and testing our campaign for a new constitution.

##### **Strategy update process**

There have been fundamental shifts in British politics since the referendum on leaving the European Union and it was necessary to update our strategy to reflect where we are now and the opportunities for achieving change. The staff team carefully assessed Unlock Democracy's past campaign wins, the changing political context, and studied successful campaigns from around the world to design an ambitious but hard-headed strategy to win a new constitution in years, not decades.

This has meant refocusing Unlock Democracy, putting our long-standing demand for a written constitution front and centre, and making it clear that we can't just write down our current failing system – we need to rewrite the rules of politics, making a new constitution that works for everybody. This is an approach that brings together everything we've campaigned on in the past. This kind of systemic change is the best way to win on all of the issues we care about – from winning a fairer voting system and a reformed second chamber of Parliament, to getting dark money out of politics, and beyond, fundamentally rebalancing the political system so that the public is in the driving seat.

The first stage of this process was establishing the extent to which the public already shared our understanding of the problems in our political system. Unlock Democracy worked with polling experts at YouGov, and found clear evidence that the British public recognise the need for fundamental political change. The polling showed us that there is a huge gap between what the people of the UK want from their democracy and what the people with power and control over our political institutions are choosing to do with it. The public might be divided on some issues, but when it comes to how we are governed we are united in wanting a deeper democracy, not one that is hollowed out.

The next stage involved outlining the procedural path to a new constitution – a parliamentary process to set the wheels in motion, a constitutional convention to decide the contents, and finally implementation.

We identified three steps we can take, each of which reinforces the others and feeds into making the campaign an unstoppable force in British politics.

## UNLOCK DEMOCRACY

### REPORT OF THE COUNCIL *(Continued)*

For the year ended 31 MARCH 2019

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The steps are:

- Raising awareness of the issue, and how our constitution stops us building a society that works for everyone
- Making the constitution a topic of debate – something that everybody feels entitled to a say in
- Building a movement to stand up against entrenched power

In order to achieve these goals Unlock Democracy will need to grow as an organisation - both in terms of the staff team and supporter base. There is a financial plan in place to start this process in the next financial year.

#### **Making the constitution a topic of debate**

One of the strands of our strategy is making the constitution a topic of debate. In the last year Unlock Democracy has built a bold new campaign, and shined a light on the dark money interests distorting our democracy.

- In October 2018, campaigning journalists at openDemocracy discovered that the Metropolitan Police hadn't investigated Vote Leave's lawbreaking during the 2016 referendum. In response, Unlock Democracy launched a petition to the Met, and wrote to the Commissioner and various London politicians who could pile on the pressure. We worked with 12 MPs and MEPs to boost our petition, securing over 10,000 signatures.
- We launched our campaign for a new constitution at our AGM. Thousands of supporters signed up to support the campaign and wrote to their MPs calling for a citizens' assembly to solve the Brexit impasse.
- Iteration and experimentation are at the heart of Unlock Democracy's work. We launched a new Instagram project, a Different Kind of Politics, in March 2019, with the aim of reaching out to new audiences.
- Together with Spinwatch we published a pamphlet exposing shady groups of lobbyists who are setting the course of the UK government at a critical time for UK democracy.

#### **Building a movement**

UD has been invited to speak at events and rallies held by various organisations, campaigns and politicians. In the last year UD's Director spoke at:

- A fringe event with Social Liberal Forum at the Liberal Democrat Party Conference on the electoral system.
- What Brexit tells us about our crumbling constitution at Public Law Project's annual conference.
- Our Merseyside and West Cheshire local group's event in Liverpool on electoral reform, democracy and fairness.
- The Woking Debates on Is our democracy breaking down?
- TASC's conference on Thinking Beyond the Ballot Box.
- Molly Scott Cato MEP's event series, People and Power: Populism, Fascism and how to Defend Democracy in Swindon and Gloucester.
- The Rally for a Fair Vote on the Referendum in Parliament Square.

## UNLOCK DEMOCRACY

### REPORT OF THE COUNCIL (*Continued*)

For the year ended 31 MARCH 2019

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- Republic's AGM on the case for a written constitution.

#### **Raising awareness of the issue**

Unlock Democracy continues to push our campaigns into the spotlight by using new media platforms as well as traditional media channels.

Part of living in a democratic society means embracing a plurality of viewpoints about what that democracy should look like. By focusing our communications on video creation and podcast production, Unlock Democracy wants to give a platform to our supporters, activists, and organisations we work with, to create a conversation about how our political system could be improved, and our democracy deepened.

Highlights of the videos we produced this year include:

- Interviews with young activists taking part in the Fridays For Our Future strikes, as part of the Youth Strike for Climate Change - how is our broken democracy stifling action on the climate crisis?
- A call to action from activists asking other people to join the campaign for a democratic revolution.
- Discussions with MPs, policy experts and campaigners about their radical ideas to fix broken Britain.
- This year, our work has been featured in: The Financial Times; the Mirror; The Guardian; BBC Radio 4's Today Programme; Channel 4 News; BBC Radio London; BBC Radio Scotland; openDemocracy; Vice; The Real Agenda Podcast; the Washington Post.

#### **Events**

Throughout the year, Unlock Democracy has organised a range of events around the UK. Whether we're talking to activists, academics, or students, our events are designed to get people engaged and involved in the democratic processes that shape our lives.

**Brexit, the Constitution, and Policy-making in the UK** (September 2018) - We were funded by the Legal Education Foundation to run a conference exploring the impact of Brexit on the constitution and policy-making. Parliamentarians, academics and civil society experts from across the UK gathered for a programme that addressed some of the most challenging legal and policy questions Brexit presents.

**Radical Solutions to Fix Broken Britain** - We ran events at the Labour and Conservative conferences, bringing a panel of speakers together to discuss their big ideas to change the world. Each speaker pitched their radical idea for Britain, ranging from George Freeman MP talking about building new satellite towns, Adam Ramsay calling for the dismantling of the British state, Lisa Nandy MP arguing for changes to the way we measure economic growth, Sustain talking about food sustainability, the Fawcett Society calling for a female friendly economy to Cat Hobbs calling for public ownership of public services. This was then turned into a podcast where we, host Tessa van Rens interviewed one of our speakers, exploring their radical ideas in more detail. With over 2500 plays, the podcast helped bring our message to a new audience.

#### **The Brexit Civil Society Alliance**

The Brexit Civil Society Alliance is a grant funded project which Unlock Democracy has hosted since 2017. Set up to coordinate civil society's response to Brexit, their focus is to bring the voice of civil society from across the entire UK to Parliament.

This year the Alliance has travelled across the UK to hear civil society's concerns on Brexit. The Alliance held round tables for local organisations in Penrith, Bradford, York, Birmingham, and Sheffield, and a devolved-nations round table in London for organisations in Northern Ireland, Wales, and Scotland.

In June 2019, the Alliance organised a reception in Parliament bringing speakers from devolved nations together with parliamentarians. As well as representatives from Wales, Scotland, and Northern Ireland, speakers included Malene Bratlie, Dominic Grieve MP, and Paul Blomfield MP.

## **UNLOCK DEMOCRACY**

### **REPORT OF THE COUNCIL (Continued)**

**For the year ended 31 MARCH 2019**

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Working with NPC and Lloyds Bank Foundation, the Alliance has organised two free all-day conferences in London and Manchester to discuss what is next for the sector as the Brexit process continues.

Other work has included publishing a weekly e:bulletin to inform and educate people in the sector, and updating the Campaign Toolkit to include key legislative changes.

Hosting the Alliance has been an amazing opportunity for Unlock Democracy to work with an exceptionally broad range of campaigners, and make a clear case for how the need for democratic reform underpins all their campaigns on the environment, food, farming, and rights.

### **FINANCIAL REVIEW AND RESERVES**

Unlock Democracy increased its income in this financial year (£434,204 in 2019 compared to £396,256 in 2018) whilst expenditure remained tightly controlled (£373,664 in 2019 compared to £373,886 in 2018)

Unlock Democracy's principal funding sources are our members and supporters, Rodell and grant income. There is a decrease in subscription income (£32,377 in 2019 compared to £37,400 in 2018.) Our fundraising from our supporters (combined donations and subscriptions) has decreased slightly in this period (£143,193 compared to £144,061 in 2018). However, we benefited from legacy income (£27,777 in 2019 compared to nil in 2018.) In the long term we expect legacy income to form a larger part of our fundraising income. Support from individual donors is particularly key for Unlock Democracy as this is unrestricted funding and can support our campaigning work which may not always be popular with grant funders.

In common with most membership organisations, we need to invest in maintaining as well as growing our membership base and this is a priority for the next financial year. There are plans for a membership renewal campaign and a telephone fundraising campaign. Unlock Democracy has continued to make improvements to our administrative systems for our membership. This will be continued in the coming period but additional work will be done on recruiting new members.

Unlock Democracy received £123,495 in grant income, primarily to support the work of the Brexit Civil Society Alliance. This is a small increase compared to last year (£116,002 in 2018) which reflects continued good performance in fundraising. However, with the exception of a small grant to organise a conference, this is project based funding. The priority for the next financial year will be to increase grant funding for the core work of Unlock Democracy.

Unlock Democracy is the sole shareholder of Rodell Properties Ltd and received £72,000 management fees and £66,000 in dividends in 2019. Income from Rodell Properties has not changed in the last few years, although there are expectations that this will increase in the medium term when one of the properties is developed.

The total unrestricted reserves at the financial year are £179,719 (2018: £149,954) of restricted funds are £33,083 (2018: £2,308) restricted funds.

There are no designated amounts or commitments in this financial year.

### **PLANS FOR THE FUTURE**

An important part of our new strategy has been recognising the need to build a strong staff team to support and strengthen our movement. There are plans in the next financial year to invest some of our reserves in increasing our staffing capacity so we can grow as a campaigning force.

**UNLOCK DEMOCRACY**

**REPORT OF THE COUNCIL (continued)**

**For the year ended 31 MARCH 2019**

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This is an exciting period for Unlock Democracy and the organisation will continue to expand on the campaigning work done in this period to build awareness and support for the case for a new constitution. We reflect on and learn from each of the campaigns that we run and this informs our future plans. We want to grow as an organisation and a political force in the coming year and are investing to make this happen.

On behalf of the Council



**Danny Zinkus-Sutton**  
**Co-Chair**

Dated: 23<sup>rd</sup> December 2019

## UNLOCK DEMOCRACY

### CHARTERED ACCOUNTANTS' INDEPENDENT ASSURANCE REPORT ON THE UNAUDITED FINANCIAL STATEMENTS OF UNLOCK DEMOCRACY For the year ended 31 March 2019

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

We have reviewed the company's unaudited financial statements for the year ended 31 March 2019 set out on pages 10 to 20. The financial reporting framework that has been applied in their preparation is applicable law, the Memorandum and Articles of Association and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to entities preparing their accounts in accordance the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102)" (as amended for accounting periods commencing from 1 January 2016).

This report is made solely to the council, who are also directors for the purpose of company law, as a body, in accordance with the terms of our engagement letter dated 1 November 2017. Our review has been undertaken so that we may state to the council those matters we have agreed with them in our engagement letter 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 for the conclusions we have formed.

#### Council's responsibility for the financial statements

The council is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

#### Accountant's responsibility

Our responsibility is to express a conclusion based on our review of the financial statements. We conducted our review in accordance with International Standard of Review Engagements (ISRE) 2400 (Revised), Engagements to review historical financial statements and ICAEW Technical Release TECH 09/12AAF Assurance review engagements on historical financial statements. ISRE 2400 also requires us to comply with ICAEW Code of Ethics.

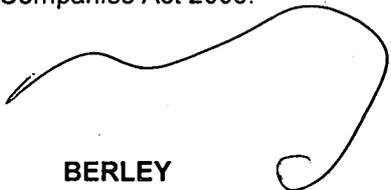
#### Scope of the assurance review

A review of the financial statements in accordance with the ISRE 2400 (Revised) is a limited assurance engagement. We have performed additional procedures to those required under a compilation engagement. These primarily consist of making enquires of management and others within the entity, as appropriate, applying analytical procedures and evaluating the evidence obtained. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (UK and Ireland). Accordingly, we do not express an audit opinion on these financial statements.

#### Conclusion

Based on our work, nothing has come to our attention that causes us to believe the financial statements have not been prepared

- so as to give a true and fair view of the state of the company's affairs as at 31 March 2019, and of its surplus for the year ended;
- in accordance with the Charities SORP Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102); and
- in accordance with section 396 of the Companies Act 2006.

  
BERLEY

Chartered Accountants

London

21 January 2020

**UNLOCK DEMOCRACY**

**STATEMENT OF FINANCIAL ACTIVITIES**

**For the year ended 31 MARCH 2019**

	Notes	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
<b>INCOME AND ENDOWMENTS FROM:</b>					
<b>Donations and legacies</b>					
Donations	3	110,816		110,816	106,661
Legacies		27,777		27,777	-
<b>Charitable activities</b>					
Grants	4		123,495	123,495	117,002
<b>Other trading activities</b>					
Subscriptions		32,377		32,377	37,400
<b>Investments</b>					
Interest		1,739		1,739	1,693
Dividends		66,000		66,000	61,500
<b>Other</b>					
Management fees		72,000		72,000	72,000
<b>TOTAL INCOMING RESOURCES</b>		<u>310,709</u>	<u>123,495</u>	<u>434,204</u>	<u>396,256</u>
<b>RESOURCES EXPENDED</b>	5	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>
<b>Raising funds</b>					
Membership communications		28,883		28,883	24,612
Fundraising and direct mailing		74,007		74,007	60,549
<b>Charitable activities</b>					
Direct campaigning		157,214	92,720	249,934	281,448
<b>Support costs</b>					
		20,840	-	20,840	7,277
<b>TOTAL EXPENDITURE</b>		<u>280,944</u>	<u>92,720</u>	<u>373,664</u>	<u>373,886</u>
		<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>
Net incoming/(outgoing) resources for the year					
Being net income/(expenditure)		29,765	30,775	60,540	22,370
Transfers between funds		-	-	-	-
<b>TOTAL FUNDS AT 1 APRIL 2018</b>		149,954	2,308	152,262	129,892
<b>TOTAL FUNDS AT 31 MARCH 2019</b>		<u>179,719</u>	<u>33,083</u>	<u>212,802</u>	<u>152,262</u>
		<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

The notes on pages 12 to 20 form part of these financial statements.

**UNLOCK DEMOCRACY**

**BALANCE SHEET**

**As at 31 MARCH 2019**

	Notes	£	2019 £	£	2018 £
<b>FIXED ASSETS</b>					
Tangible assets	9		-		1,277
<b>CURRENT ASSETS</b>					
Debtors	10	74,216		88,195	
Cash at bank and in hand		152,739		105,534	
		<u>226,955</u>		<u>193,729</u>	
<b>CREDITORS: amounts falling due</b>					
Within one year	11	(14,153)		(42,744)	
<b>NET CURRENT ASSETS</b>					
			<u>212,802</u>		<u>150,985</u>
<b>NET ASSETS</b>					
			<u>212,802</u>		<u>152,262</u>
<b>FUNDS</b>					
Unrestricted funds	12	179,719		149,954	
Restricted funds	12	33,083		2,308	
		<u>212,802</u>		<u>152,262</u>	
			<u>212,802</u>		<u>152,262</u>

The company is entitled to the exemption from the audit requirement contained in Section 477 of the Companies Act 2006 for the year ended 31 March 2019. No member of the company has deposited a notice, pursuant to Section 476, requiring an audit of these accounts.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of the financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Directors on 28th December 2019



**Danny Zinkus-Sutton**  
Co-Chair

**Company registration number: 02440899**

## UNLOCK DEMOCRACY

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 MARCH 2019

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#### 1. ACCOUNTING POLICIES

##### *Company Status*

Unlock Democracy (UD) is a private limited company limited by guarantee without share capital, incorporated in England and Wales. Its registered office is 33 Corsham Street, London N1 6DR. In the event of UD being wound up, the liability in respect of the guarantee is limited to £10 per member of the company.

##### **1.1 Accounting convention**

The accounts have been prepared in accordance with the Companies Act 2006 and "Accounting Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102)" (as amended for accounting periods commencing from 1 January 2016). The company is a Public Benefit Entity as defined by FRS102.

The company has taken advantage of the provisions in the SORP for charities applying FRS102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

##### **1.2 Going Concern**

At the time of approving the accounts, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting preparing the accounts.

##### **1.3 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 UD 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.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by UD 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 12 to the financial statements.

## UNLOCK DEMOCRACY

### NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 MARCH 2019

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#### 1.4 *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 UD'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' reserve. Where this occurs a corresponding transfer of the associated restricted income will be made to the unrestricted fund in the year of purchase.

#### 1.5 *Local groups*

The financial statements include the transactions of UD only, but 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 UD, that all transactions are carried out in their own name and that they do not represent to be contracting on behalf of UD.

#### 1.6 *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.

#### 1.7 *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 calculated so as to write off the cost of fixed assets, less its estimated residual value, over the useful economic life of the asset:

Website cost	- 4 years (25% on cost)
Office equipment	- 4 years (25% on cost)

#### 1.8 *Cash and cash equivalents*

Cash and cash equivalents include cash in hand and deposits held at call with banks.

## UNLOCK DEMOCRACY

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 MARCH 2019

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#### **1.9 Financial instruments**

The company has elected to apply the provision of Section 11 "Basic Financial Instruments" and Section 12 "Other Financial Instruments Issues" of FRS102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Basic financial assets**

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financial transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### **1.10 Basic financial liabilities**

Basic financial liabilities, including trade and other payables are initially recognised at transaction price unless the arrangement constitutes a financial transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payable are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

#### **1.11 Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

## UNLOCK DEMOCRACY

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 MARCH 2019

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#### 2. Critical accounting estimates and judgements

In the application of the company's accounting policies, the directors are required to make judgement, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### 3. DONATIONS

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Individual donations below £2,000	110,816 =====	- =====	110,816 =====	106,661 =====

#### 4. GRANTS

	Restricted Funds 2019 £	Total Funds 2018 £
<u>The Repeal Bill Alliance</u>		
Roger Manser	-	2,000
The Joseph Rowntree Charitable Trust	28,394	20,000
Barrow Cadbury Trust	9,000	20,000
Joseph Rowntree Reform Trust	5,000	10,000
The Legal Education Foundation	31,641	10,002
Lloyds Bank Foundation	15,000	15,000
Paul Hamlyn Foundation	4,460	10,000
JMG Foundation	25,000	25,000
The Waterloo Foundation	5,000	5,000
	<u>123,495</u> =====	<u>117,002</u> =====

**UNLOCK DEMOCRACY**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**For the year ended 31 MARCH 2019**

**5. RESOURCES EXPENDED**

	Staff costs £	Direct costs £	Support costs £	Total 2019 £	Total 2018 £
Activities in furtherance of objects:					
Direct campaigning	171,833	63,485	14,616	249,934	281,448
Membership communications	23,915	3,016	1,952	28,883	24,612
	<u>195,748</u>	<u>66,501</u>	<u>16,568</u>	<u>278,817</u>	<u>306,060</u>
Costs of generating funds					
- Fundraising and direct mailing	58,363	10,880	4,764	74,007	60,549
Support costs	9,949	32,223	(21,332)	20,840	7,277
	<u>264,060</u>	<u>109,604</u>	<u>-</u>	<u>373,664</u>	<u>373,886</u>
	=====	=====	=====	=====	=====
Direct costs:					
Campaigning	-	see Note 6			
Membership communications	-	publications and website			
Fundraising	-	direct mail and telemarketing			
Support costs	-	see Note 7			

**6. DIRECT COSTS OF CAMPAIGNING**

	2019 £	2018 £
Campaigns and political activities	63,485	37,982
	<u>63,485</u>	<u>37,982</u>
	=====	=====

**UNLOCK DEMOCRACY**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**For the year ended 31 MARCH 2019**

<b>7. SUPPORT COSTS</b>	2019	2018
	£	£
Staff training and recruitment	1,536	-
Staff travel and subsistence	-	264
New website & e-campaigning	5,979	1,683
Bank and sundry finance charges	1,900	2,798
Dues and subscriptions	934	806
Depreciation	1,228	528
Small fixed assets	798	449
Telecommunications	283	293
IT software and maintenance	1,632	2,645
Printing, postage and stationery	317	572
Insurance	231	597
Committees	2,102	915
AGM, elections, referenda	3,630	1,229
Irrecoverable VAT	-	4,111
Miscellaneous	762	914
	<u>21,332</u>	<u>17,804</u>
	=====	=====

<b>8. STAFF NUMBERS AND COSTS</b>	2019	2018
	£	£
Wages and salaries	236,562	167,386
Social security costs	19,565	20,331
Pension costs	7,933	8,013
	<u>264,060</u>	<u>195,730</u>
	=====	=====

The average number of employees during the year was:

	Number 2019	Number 2018
Direct campaigning	6.2	7.5
Membership services	0.8	1.1
Fundraising	1.6	1.8
Governance	0.2	0.2
	<u>8.8</u>	<u>10.6</u>
	=====	=====

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

**UNLOCK DEMOCRACY**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**For the year ended 31 MARCH 2019**

**9. TANGIBLE FIXED ASSETS**

	Office Equipment £	Website £	Total £
<b>Cost</b>			
At 1 April 2018	4,747	20,340	25,087
Additions	-	-	-
	-----	-----	-----
At 31 March 2019	4,747	20,340	25,087
	=====	=====	=====
<b>Depreciation</b>			
At 1 April 2018	3,470	20,340	23,810
Charge for the year	1,277	-	1,277
	-----	-----	-----
At 31 March 2019	4,747	20,340	25,087
	=====	=====	=====
<b>Net book value</b>			
At 31 March 2019	-	-	-
	=====	=====	=====
At 31 March 2018	1,277	-	1,277
	=====	=====	=====

**10. DEBTORS**

**Due within one year**

	2019 £	2018 £
Rodell Properties Ltd, loan	64,992	63,253
Other debtors	7,603	24,942
VAT	1,621	-
	-----	-----
	74,216	88,195
	=====	=====

**11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2019 £	2018 £
Trade creditors	626	14,875
VAT	-	6,012
Social security and taxes	5,736	6,714
Pension	1,291	2,813
Accruals and income received in advance	6,500	12,330
	-----	-----
	14,153	42,744
	=====	=====

**UNLOCK DEMOCRACY**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**For the year ended 31 MARCH 2019**

**12. RESOURCES EXPENDED**

<b>RESTRICTED FUNDS</b>	<b>Brought Forward</b>	<b>Incoming Resources</b>	<b>Resources Expended</b>	<b>Transfers</b>	<b>Carried Forward</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<u>The Repeal Bill Alliance</u>					-
The Joseph Rowntree Charitable Trust	-	28,394	(19,723)	-	8,671
Barrow Cadbury Trust	-	9,000	(9,000)	-	-
Joseph Rowntree Reform Trust	-	5,000	(5,000)	-	-
The Legal Education Foundation	-	31,641	(7,229)	-	24,412
Lloyds Bank Foundation	-	15,000	(15,000)	-	-
Paul Hamlyn Foundation	-	4,460	(4,460)	-	-
JMG Foundation	2,308	25,000	(27,308)	-	-
The Waterloo Foundation	-	5,000	(5,000)	-	-
	<u>2,308</u>	<u>123,495</u>	<u>(92,720)</u>	<u>-</u>	<u>33,083</u>
	=====	=====	=====	=====	=====

**SUMMARY OF FUNDS**

	<b>Brought Forward</b>	<b>Incoming Resources</b>	<b>Resources Expended</b>	<b>Transfers</b>	<b>Carried Forward</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Unrestricted funds	149,954	310,709	(280,944)	-	179,719
Restricted funds	2,308	123,495	(92,720)	-	33,083
	<u>152,262</u>	<u>434,204</u>	<u>(373,664)</u>	<u>-</u>	<u>212,802</u>
	=====	=====	=====	=====	=====

**Funds listed above have been received for the following purposes:**

The Repeal Bill was renamed the Brexit Civil Society Alliance after the passage of the EU (Withdrawal) Act 2018. The Alliance is a loose network of over 80 civil society organisations working to ensure that the voice of civil society was heard in the Brexit process. The Alliance called for open and accountable law making, respect for the devolved nature of the UK constitution and ensuring that rights and standards for all sectors are maintained.

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

The transfer of funds between unrestricted and restricted funds is to support the actual cost of the grant projects and charitable activities of Unlock Democracy that are not covered by restricted income.

## UNLOCK DEMOCRACY

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 MARCH 2019

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13. TAXATION	2019	2018
	£	£
UK corporation tax on profit of the year	322	329
	=====	=====

No tax liability arises on the company's voluntary income.

Corporation tax is charged at the small companies rate of 19% (2018: 19%) on the not for profit organisation's interest receivable, against which it has been charged in the Statement of Financial Activities.

### 14. COUNCIL MEMBERS

None of the council members received any remuneration or benefits from Unlock Democracy during the current year or the previous year.

Expenses relating to travel and subsistence totalling £530 (2018: £571) were reimbursed to 4 (2018: 4) Members of the Council (the Directors of Unlock Democracy).

### 15. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

During the year management charges of £72,000 (2018: £72,000) and loan interest of £1,739 (2018: £1,693) were charged to Rodell Properties Limited, a subsidiary company.

The loan to Rodell Properties Limited is unsecured and interest is receivable annually at 2% above the base rate. At 31 March 2019, the amount owed by Rodell Properties Limited was £64,992 (2018: £63,253).