

Registered number: 02977740
Charity number: 1042046

DEMOS

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015



DEMOS

(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2015

Trustees

Kieran Brett
Nicholas Claydon
Philip Collins, Chair
Elsbeth Johnson
Damian Leeson (appointed 23 February 2015)
Matt Nixon (appointed 23 February 2015)
Neil Sherlock
Ian Corfield (appointed 12 October 2015)

Company registered number

02977740

Charity registered number

1042046

Registered office

Lloyds Wharf, 2-3 Mill Street, London, SE1 2BD

Company secretary

Claudia Wood

Chief executive officer

Claudia Wood

Independent auditors

Leigh Saxton Green, Mutual House, 70 Conduit Street, London, W1S 2GF

Bankers

Santander, Bridle Road, Bootle, Merseyside, L30 4GB

Solicitors

Collins Benson Goldhill LLP, 28 Great Portland Street, London, W1W 8QT

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

The trustees present their report and the financial statements for the year ending 31 December 2015.

Reference and administrative information set out on page one forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities (issued in March 2005).

ACTIVITIES AND REVIEW

The Charity's objects are governed by our Memorandum and Articles of Association which state that Demos exists:

- To promote education for the public benefit in issues of politics, economics, the environment and public policy,
- To promote for the public benefit research in any of the above fields of education and to publish the useful results of such research.

The trustees have had due regard to the Charity Commission's guidance on public benefit when considering the charity's objectives and activities. There have been no changes in the objects or the policies of the charity during the year. The principal activities of research, education and publication are reflected in the organisational structure of the charity. The overall management of Demos is the responsibility of the Chief Executive who provides leadership to the organisation and specifically leads the development of the intellectual and research agenda of the charity. Reporting to the Chief Executive is the Research Director, the Head of Operations, Events and Press & Communications managers. Research projects are managed by heads of programmes and other senior researchers. A team of senior researchers and researchers undertakes research projects, supported by temporary assistants and interns. Freelance collaborations are entered into to fulfil technical and consultancy roles, as well as helping with particular aspects of research, writing and the production of publications. All projects have a budgetary review before contracts with funders are signed, and are subject to an extensive quality review process from initiation through to publishing the final report. All staff are encouraged to contribute to any appropriate aspects of research, administration, the achievement of the charitable objects and the planning processes.

Aims for 2015

2015 was predicted to be a challenging year for Demos due to a number of internal and external factors: Demos' lease at Magdalen House, Tooley Street expired and a move to new premises was necessary. The website also had to be re-worked, representing two large one-off expenses (moving costs and the website) falling in one financial year. Chief Executive, Claudia Wood went on maternity leave in January 2015 and returned part time from August 2015, with the research director Duncan O'Leary acting up in her absence. Demos Events Manager Alice meaning went on maternity leave in June 2015 for one year necessitating maternity cover, and a senior member of research staff and key fundraiser – the Head of the Citizenship Programme – left Demos in August 2015. In addition to these internal challenges, there was a general election in May 2015. What could not be predicted was the extended period of disruption in the leadership of the two main Opposition Parties following the election result, which meant there was a hiatus in fundraising activity over the summer of 2015 as potential sponsors and grant makers delayed funding decisions until the political climate was more certain. This affected both Party Conference 2015 as well as research projects.

With that in mind, the aim of 2015 was to secure funding for shorter term pieces of work in the first half of the year to offset what was predicted to be a difficult second half. Specific aims included: managing the office move with minimal disruption to work flow; managing the organisation in the absence of the CEO; developing a credible response to the General Election result in terms of new research ideas and developing a party conference offer that took into account last minute personnel changes in both Government and Opposition parties.

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Achievements during 2015

Specific achievements for 2015 include:

- Starting a large piece of work with Kent University on the perception of disability and employability
- Developing a series of work building on our Character in Education research, and developing evaluation frameworks to assess DfE grant-funded activity in this field
- Creating a large "Integration Hub" – a website collating a large amount of statistical data related to social and economic integration of people from different black and ethnic minority backgrounds.
- Producing several reports related to big data use and social media and its implication for democratic processes

PUBLICATIONS

Demos publishes in a number of different formats including pdf web-files, books, project reports, collections, and occasional commentary papers.

In 2015, alongside several of our standard Demos reports, we published: four editions of Demos Quarterly, our new research journal launched in 2013, with a collection of longer think pieces, short essays and reviews; and the final extensive report of the year-long Commission on Apprenticeships (launched in 2014), chaired by Maurice Glasman and Robert Halfon.

Titles published during the year include:

British Aisles: Community supermarkets could offer a sustainable solution to food poverty, Ally Paget

Populism and its Moral Siblings: Using moral political theory to understand populist politics, Jamie Bartlett

The Commission on Apprenticeships Duncan O'Leary

Evidence in the Youth Sector: Review on social and emotional learning, Jonathan Birdwell

Rethinking the Work Capability Assessment: Incapacity needs to be assessed in the real world, Ben Baumberg

Online Anonymity: Islamic State and surveillance, Jamie Bartlett,

The Power of UpRising: Interim Report, Jonathan Birdwell,

Building Veto: The methodology behind the bite the ballot and demos vote match tool, Jonathan Birdwell

Immigration on Twitter: Understanding public attitudes online, Jamie Bartlett,

Character Nation: A Demos report with the Jubilee Centre for Character and Virtues, Jonathan Birdwell,

Learning by Doing: Non-formal learning could help to build character and close the attainment gap, Jonathan Birdwell

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Service Nation 2020: Harnessing the potential of youth social action, Jonathan Birdwell,
Character & Moderation: The next generation of responsible drinkers, Ian Wyborn
The Road to Representivity: Measuring and Interpreting Big Data, Carl Miller
State of the Art: Social media intelligence capabilities for counterterrorism, Jamie Bartlett
Counter-Speech: Examining content that challenges extremism and hate speech online, Jamie Bartlett
Rising to the Top: Tackling the under-representation of British Muslims in top jobs, Louis Reynolds
Community Chest: New models of local & regional banking with a dual bottom line, Duncan O'Leary
Mind over Matter: Cultivating growth mindsets in the next generation, Louis Reynolds
Under-Served: Improving residential care services for working age veterans, Louis Reynolds
Good Growth Cities Index: Demos/PWC's annual snapshot of UK cities' prosperity, Duncan O'Leary
Social Media for Election Monitoring in Nigeria: A report prepared for the DFID, Jamie Bartlett
Life to the Full: Mapping care & support for disabled children and their families, Ally Paget
Community Builders: Tackling the housing crisis by empowering communities in local development,
Charlie Cadywould
Talk of the Town: Mapping the fortunes of the satellite towns orbiting England's largest cities, Ally Paget
e-Democracy in the EU: Transforming European Democracy through new technologies, Jamie Bartlett

LECTURES, CONFERENCES AND SEMINARS

Demos organised a wide range of lectures, events and conferences during the year. On average, Demos hosts and organises two events each month, ranging from large-scale public debates to smaller scale seminars on particular issues. In addition, Demos staff give presentations and speeches, and take part in debates at conferences and events. Notable events during the year include:

The Commission on Apprenticeships Launch, where the final report of the commission was launched at a large panel event in Westminster. Speakers included Robert Halfon MP, Lord Glasman, Steve Radley of CITB and Anna Schlautmann, Logistics Apprentice at MBDA

Demos Integration Hub Launch - Demos hosted a panel discussion to mark the launch of a new online Integration Hub. Trevor Phillips, Shamit Saggar, Eric Kaufmann and David Goodhart unveiled the Integration Hub website, which brings together cutting-edge research and statistics on ethno-cultural integration/segregation in modern Britain.

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Tristram Hunt MP Keynote Address – the then Shadow Secretary of State for Education gave a keynote address regarding character and life chances in education.

Youth social action matters - Demos joined Step Up to Serve, Generation Change and Youth United for an event with the Minister for Civil Society on youth social action. As part of the cross-party and cross-sector #iwill campaign to make youth social action the norm for all 10-20 year olds by the year 2020, Step Up To Serve, Generation Change and Youth United brought together leaders from across the youth sector and Government. This launch coincided with the publishing of a new Demos report: Service Nation 2020. Speakers included Rob Wilson MP, Minister for Civil Society Charlotte Hill, CEO, Step Up To Serve, Saeed Atcha, #iwill ambassador, and Sophie Livingstone, Co-Chair, Generation Change

Rt Hon Nick Clegg MP, former Deputy Prime Minister and Leader of the Liberal Democrats, in conversation with Phil Collins, Chief Leader Writer at The Times, in conversation on Europe.

Scouting and Schools – a roundtable discussion towards 'non-formal education' (sport, arts, debating, uniformed organisations etc) taking place within schools and the role it can play in developing character skills, using Scouting and schools as the chief case study. The aim of this seminar was to draw on the expertise of people from the education and youth sectors, and their experience of bridging the two

PROJECTS

Demos carried out a wide range of research projects during 2015, drawing on a varied range of innovative methodologies which Demos is now known for, including focus groups and interviews, citizen's juries and ethnographic study. We built on our new social media analytics capability in partnership with the University of Sussex to enable us to analyse Twitter content and produce several reports using this approach in 2015, alongside developing new evaluations frameworks for projects due to be launched in 2016.

Rising to the Top

This project analysed national data from the 2001 and 2011 censuses, and *Labour Force Survey*, Higher Education Statistics Agency (HESA) and Universities and Colleges Admissions Service (UCAS) data, alongside data drawn from schools, universities and local authorities in East London specifically Tower Hamlets and Newham, in order to provide new insights into the educational and career trajectories of different ethnic minority groups.

Life to the Full

This project mapped the care and support services available to young children with life limiting conditions, carrying out a wide and varied range of field work including interviews with young people, online surveys, focus groups with parents and carers, a call for evidence, expert workshops and good practice case studies

Talk of the Town

This research compared outcomes of young people in cities with their satellite towns using a complex data-led mapping exercise. We selected 21 of the largest cities by population across England, and identified two 'satellite' towns for each, deciding on satellites according to their proximity to the city and their population size (favouring those that were nearer and bigger). Based on data drawn from the 2011 census and other ONS sources, we built an overall index of socioeconomic performance, containing 30 indicators, grouped under the following 'domain' headings: commerce, crime, education and skills, employment, health, household characteristics, housing, political participation, public health and wellbeing, transport. We used the index to compare the performance of each satellite town with that of its neighbouring city. This allowed us to assess where in the country, and on what domains, satellite towns tend to outperform or underperform their comparator cities.

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DEMOS PROJECTS LIMITED

The charity controls Demos Projects Limited (company number 2667039), a company limited by guarantee. Two Directors of Demos Projects Limited are also Directors of Demos. It is currently not trading and its use is under review by the trustees.

FINANCE REVIEW

The results of the year's activity are set out in the attached financial statements. Total incoming resources were £969,023 (2014 - £1,221,456), a decrease of £252,433. The majority of income streams are broadly similar year on year. This decrease was in part counteracted by decreases in project spending. Total expenditure was £1,064,870 (2013 - £1,182,685), a decrease of £117,815. Net incoming resources for the year was therefore – deficit £95,847 (2013 - deficit £38,771). Further details regarding the going concern assumption can be found below.

RESERVES & GOING CONCERN

As set out in the Accounting Policies in Note 1.4 to the financial statements, the accounts have been prepared on the going concern basis, i.e. on the basis that the charity will continue in operational existence for the foreseeable future (being at least 12 months from the date of signing the financial statements). We acknowledge a deficit in 2015 and a negative asset position, which was managed through stringent control of cash flow. Nonetheless, the trustees recognise the exceptional circumstances and one-off costs which occurred in 2015 – none of which have occurred in 2016 thus far, nor will occur for the rest of the year. They have confirmed that the going concern basis is appropriate for these accounts on the grounds that the overall staffing and business model is sound, overheads and project costs remain tightly controlled, and they are confident that there is sufficient work in train in 2016, and planned future work, to enable the charity to continue in operation. The key objectives for the reserves policy is to return the charity to positive reserves, at which point a formal review of its policy will be undertaken by the trustees.

RISK ASSESSMENT

Demos adopted a risk assessment in accordance with guidance set out by the Charity Commission at the 2011 Annual General Meeting. This has not been formally updated, but from time to time the trustees review Demos' risks and the actions put in place to mitigate them.

TRUSTEES

The following served as company directors and charity trustees during the year and up to the date of this report:

Kieran Brett

Nick Claydon

Phil Collins

Elsbeth Johnson

John Knell (until February 2015)

Neil Sherlock

Ian Corfield (Appointed August 2015)

Damien Leeson (Appointed February 2015)

Matt Nixon (Appointed February 2015)

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

All directors are members of the charitable company and guarantee to contribute to the assets of the company in the event of it being wound up such amounts as may be required not exceeding £1. The number of guarantees at 31 December 2015 was 8 (2014 – 5). The directors have no beneficial interest in the charitable company nor in its activities and are not remunerated. A register of business interests is maintained.

Future Development

The trustees have reviewed the latest results for 2015 and anticipated income and workflow projection for 2016. They consider that these indicate that Demos can meet its liabilities as they fall due for the foreseeable future and have therefore prepared the financial statements on the going concern basis.

2016 will be politically turbulent given the EU Referendum and subsequent political manoeuvring among the main parties. This, like general elections, can present challenges for think tanks along with opportunities for new streams of work. Our aim for 2016 is to work hard to maximise funding opportunities and improve our financial position following a difficult 2015. Without the same internal and external pressures of 2015, Demos in 2016 has more internal fundraising capacity, fewer large costs, and more strategic governance to develop work streams which may capitalise on post-Referendum political agendas.

TRUSTEES' RESPONSIBILITIES STATEMENT

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Insofar as each of the Directors of the company at the date of approval of this report is aware, there is no relevant audit information (information needed by the company's auditor in connection with preparing the audit report) of which the company's auditor is unaware. Each Director has taken all of the steps that he/she should have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The Trustees (who are also directors of Demos for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 41SA of the Companies Act 2006.

Approved by the trustees on ...28/09/2016.... and signed on their behalf by



Philip Collins

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DEMOS

We have audited the financial statements of Demos for the year ended 31 December 2015 set out on pages 11 to 24. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DEMOS

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and to take advantage of the small companies' exemption from the requirement to prepare a Strategic report or in preparing the Trustees' report.



Robert Keen (Senior statutory auditor)

28/9/16

for and on behalf of

Leigh Saxton Green

Chartered Accountants

Mutual House
70 Conduit Street
London
W1S 2GF

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STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account)
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary income	2	-	-	-	31,577
Activities for generating funds	3	27,267	-	27,267	98,117
Investment income - bank interest		163	-	163	180
Incoming resources from charitable activities	4	473,049	456,464	929,513	1,091,582
Other incoming resources	6	12,081	-	12,081	-
TOTAL INCOMING RESOURCES		512,560	456,464	969,023	1,221,456
RESOURCES EXPENDED					
Charitable activities	7	563,563	466,574	1,030,137	1,110,345
Governance costs	10	19,067	-	19,067	18,783
Other resources expended	8	15,666	-	15,666	53,557
TOTAL RESOURCES EXPENDED		598,296	466,574	1,064,870	1,182,685
MOVEMENT IN TOTAL FUNDS FOR THE YEAR - NET INCOME/(EXPENDITURE)					
FOR THE YEAR		(85,737)	(10,110)	(95,847)	38,771
Total funds at 1 January 2015		(50,070)	10,110	(39,960)	(78,731)
TOTAL FUNDS AT 31 DECEMBER 2015		(135,807)	-	(135,807)	(39,960)

The notes on pages 14 to 25 form part of these financial statements.

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REGISTERED NUMBER: 02977740

**BALANCE SHEET
AS AT 31 DECEMBER 2015**

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	14		29,600		-
CURRENT ASSETS					
Debtors	16	295,176		275,994	
Cash at bank and in hand		16,277		50,485	
		<u>311,454</u>		<u>326,479</u>	
CREDITORS: amounts falling due within one year	17	<u>(476,861)</u>		<u>(366,439)</u>	
NET CURRENT LIABILITIES			<u>(165,407)</u>		<u>(39,960)</u>
NET LIABILITIES			<u>(135,807)</u>		<u>(39,960)</u>
CHARITY FUNDS					
Restricted funds	18		-		10110
Unrestricted funds	18		<u>(135,807)</u>		<u>(50,070)</u>
TOTAL DEFICIT			<u>(135,807)</u>		<u>(39,960)</u>

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Trustees on ...28/09/2016..... and signed on their behalf, by:



Philip Collins, Chair

The notes on pages 13 to 24 form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, applicable accounting standards and the Companies Act 2006.

Consolidated financial statements have not been prepared as the transactions in the subsidiary are immaterial to the group.

1.2 Incoming resources

All incoming resources are included in the Statement of financial activities when the company has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

1.3 Resources expended

Expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Support costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity.

Projects	85%
Publications and subscriptions	5%
Events and seminars	5%
Governance	5%

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES (continued)

1.4 Going concern

The charity continues to have negative net assets though these were reduced due to the surplus made in the year ended 31 December 2015. The charity however remains a going concern as it is able to meet its liabilities as they arise through judicious management of cash flows. Due to the manner in which Demos obtains funding and is commissioned to undertake projects, it continually undertakes business development activities. The charity enters each year in the knowledge that its anticipated income for the year is not fully secured, hence it carefully monitors its pipeline of new work and the success of the bids it makes for funding. Historically this business model has proven to be appropriate and hence the trustees consider there are no material uncertainties over going concern, and there is a valid expectation that the charity will continue in operational existence for the foreseeable future (at least 12 months from the date of signing the financial statements). The financial statements have therefore been prepared on a going concern basis.

1.5 Tangible fixed assets and depreciation

All assets costing more than £500 are 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:

Fixtures and fittings	5 years
Computer equipment	3 years

1.6 Investments

Investments are stated at market value at the balance sheet date. The Statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.

1.7 Operating leases

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

1.8 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

1.9 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of financial activities.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES (continued)

1.10 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company and which have not been designated for other purposes.

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

Investment income, gains and losses are allocated to the appropriate fund.

2 VOLUNTARY INCOME

	Unrestricted Funds 2015 £	Restricted Funds 2015 £	Total Funds 2015 £	Total Funds 2014 £
Donations	-	-	-	31,577

3 ACTIVITIES FOR GENERATING FUNDS

	Unrestricted Funds 2015 £	Restricted Funds 2015 £	Total Funds 2015 £	Total Funds 2014 £
Rental income	27,267	-	27,267	71,400
Contract income	-	-	-	26,717
	27,267	-	27,267	98,117

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NOTES TO THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2015

4 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted Funds 2015 £	Restricted Funds 2015 £	Total Funds 2015 £	Total Funds 2014 £
Projects	295,749	217,404	513,153	524,331
Events and seminars	150,400	-	150,400	207,632
Publications and subscriptions	26,900	-	26,900	29,379
Grant funded research	-	239,059	239,059	330,240
	<u>473,049</u>	<u>456,464</u>	<u>929,513</u>	<u>1,091,582</u>

5 PROJECT AND GRANT FUNDED RESEARCH

	2015 £
Charities and Foundations	366,051
Commercial organisations	145,615
Cultural and Educational organisations	114,885
NDPB	55,261
Local government	4,800
Government department	52,908
Non UK organisation	12,692
Total	<u>752,213</u>

6 OTHER INCOMING RESOURCES

	Unrestricted Funds 2015 £	Restricted Funds 2015 £	Total Funds 2015 £	Total Funds 2014 £
Other incoming resources	<u>12,081</u>	<u>-</u>	<u>12,081</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

7 EXPENDITURE BY CHARITABLE ACTIVITY
SUMMARY BY FUND TYPE

	Unrestricted Funds 2015 £	Restricted Funds 2015 £	Total Funds 2015 £	Total Funds 2014 £
Projects	310,120	466,574	776,694	907,730
Events and seminars	150,935		150,935	122,930
Publications and subscriptions	102,507		102,507	79,685
	<u>563,563</u>	<u>466,574</u>	<u>1,030,137</u>	<u>1,110,345</u>

8 OTHER RESOURCES EXPENDED

	Unrestricted Funds 2015 £	Restricted Funds 2015 £	Total Funds 2015 £	Total Funds 2014 £
Irrecoverable VAT	15,666	-	15,666	53,557

9 DIRECT COSTS

	Projects £	Events and seminars £	Publications and subscriptions £	Total Funds 2015 £	Total Funds 2014 £
Other costs	107,503	65,394	88,278	261,174	398,711
Wages & salaries	351,399	63,753		415,152	369,506
National insurance	38,549	5,645		44,194	46,917
Pension costs	19,837	1,914		21,751	23,804
Depreciation	6,848			6,848	1,704
	<u>524,137</u>	<u>136,706</u>	<u>88,278</u>	<u>749,120</u>	<u>840,642</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

10 SUPPORT COSTS

	Governance £	Projects £	Events & seminars £	Publications & subscriptions £	Total Funds 2015 £	Total Funds 2014 £
Auditors						
remuneration	15,489	-	-	-	15,489	15,540
Other costs	-	46,467	2,582	2,582	51,631	20,607
Premises costs						
and rates	-	117,914	6,551	6,551	131,015	140,605
Office costs	-	26,656	1,481	1,481	29,618	49,937
Wages and salaries	3,579	60,835	3,579	3,579	71,571	61,610
Depreciation	-	685	38	38	761	190
	<u>19,067</u>	<u>252,557</u>	<u>14,230</u>	<u>14,230</u>	<u>300,084</u>	<u>288,489</u>

11 ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Direct costs 2015 £	Support costs 2014 £	Total Funds 2015 £	Total Funds 2014 £
Projects	524,137	252,557	776,694	907,730
Events and seminars	136,706	14,230	150,935	122,930
Publications and subscriptions	88,278	14,230	102,507	79,685
	<u>749,120</u>	<u>281,017</u>	<u>1,030,137</u>	<u>1,110,345</u>

12 AUDITORS' REMUNERATION

	2015 £	2014 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	12,000	13,200
Fees payable to the company's auditor and its associates in respect of accounts preparation services	3,489	2,340
	<u>15,489</u>	<u>15,540</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

13 STAFF COSTS

Staff costs were as follows:

	2015 £	2014 £
Wages	478,824	431,116
Social	49,760	46,917
Pension	24,084	23,804
	<hr/>	<hr/>
	552,668	501,837
	<hr/>	<hr/>

The average monthly number of employees during the year was as follows:

	2015 No.	2014 No.
Projects	11	9
Events & seminars	3	1
Support costs	2	2
	<hr/>	<hr/>
	16	12
	<hr/>	<hr/>

The number of higher paid employees was:

	2015 No.	2014 No.
In the band £60,001 - £70,000	1	0
In the band £70,001 - £80,000	0	1
	<hr/>	<hr/>
	1	1
	<hr/>	<hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

14. TANGIBLE FIXED ASSETS

	Computer Equipment	Fixtures & Fittings	Total
Cost			
At 1 January 2015	78,562	28,502	107,064
Additions	1,250	35,959	37,209
Disposals			-
At 31 December 2015	<u>79,812</u>	<u>64,461</u>	<u>144,273</u>
Depreciation			
At 1 January 2015	78,562	28,502	107,064
Charge for the year	417	7,192	7,609
Released on disposals			-
At 31 December 2015	<u>78,979</u>	<u>35,694</u>	<u>114,673</u>
Net Book Value			
At 31 December 2015	<u>833</u>	<u>28,767</u>	<u>29,600</u>
At 31 December 2014	<u>-</u>	<u>-</u>	<u>-</u>

15. INVESTMENTS

The Charity owns 100% of Demos Projects Limited (company number 02667039), a company limited by guarantee and registered in England and Wales. The company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies and was dormant during the year.

	2015 £	2014 £
Net liabilities	<u>(22,290)</u>	<u>(22,290)</u>
Turnover	<u>2015 £</u>	<u>2014 £</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2015

16 DEBTORS	2015	2014
	£	£
Trade debtors	153,522	107,075
Other debtors	26,400	21,886
Prepayments & accrued income	115,255	147,033
	<u>295,176</u>	<u>275,994</u>

17 CREDITORS	2015	2014
Amounts falling due within one year	£	£
Trade creditors	158,319	133,668
Other taxation & social security	72,343	50,574
Other creditors	31,746	49,283
Accruals & deferred income	214,453	132,914
	<u>476,861</u>	<u>366,439</u>

Other taxation and social security	2015	2014
	£	£
PAYE/NI	38,851	12,483
VAT	33,493	38,091
	<u>72,343</u>	<u>50,574</u>

Deferred income:	2015
	£
Deferred income at 1 January 2015	70,706
Resources deferred during year	81,206
Amounts released from previous years	(70,706)
Deferred income at 31 December 2015	<u>81,206</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2015

18 STATEMENT OF FUNDS	Brought Forward £	Incoming Resources £	Resources Expended £	Carried Forward £
Unrestricted funds:				
General funds - all funds	(50,070)	512,560	(598,296)	(135,807)
Restricted funds				
Restricted funds - all funds	10,110	456,464	(466,574)	-
Total funds	(39,960)	969,023	(1,064,870)	(135,807)
SUMMARY OF FUNDS	Brought Forward £	Incoming Resources £	Resources Expended £	Carried Forward £
General funds	(50,070)	512,560	(598,296)	(135,807)
Restricted funds	10,110	456,464	(466,574)	-
	(39,960)	969,023	(1,064,870)	(135,807)
19 ANALYSIS OF NET ASSETS BETWEEN FUNDS	Unrestricted Funds 2015 £	Restricted Funds 2015 £	Total Funds 2015 £	Total Funds 2014 £
Tangible fixed assets	29,600	-	29,600	-
Current assets	311,454	-	311,454	326,479
Creditors due within one year	(476,861)	-	(476,861)	(366,439)
	(135,807)	-	(135,807)	(39,960)

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

20	RESTRICTED FUNDS	Brought Forward £	Incoming Resources £	Outgoing Resources £	Carried Forward £
	Growth Mindset/ Mind over Matter	-	25,895	25,895	-
	Education for character	-	50,850	50,850	-
	Scottish Government - Poverty	-	2,760	2,760	-
	Social media for election in Nigeria	-	24,308	24,308	-
	Community Supermarkets scoping	3,760	5,540	9,300	-
	Essays on poverty & ethnicity	-	2,794	2,794	-
	Rethinking Incapacity	-	3,617	3,617	-
	Digital Democracy	-	10,865	10,865	-
	Gambling & Social Media	-	8,370	8,370	-
	Policing Hate Crime	-	37,600	37,600	-
	Disabled children	-	35,588	35,588	-
	ESRC CASM project	-	9,219	9,219	-
	Grant through Political Capital	-	4,219	4,219	-
	Regional/ Local Banks	-	3,200	3,200	-
	Coproduction in Schools / Pupil Power	1,987	30,231	32,218	-
	Immigration Index	2,192	28,600	30,792	-
	Young Muslims Entry into the Professions	-	17,500	17,500	-
	Creation of Voter Advice Application	-	5,000	5,000	-
	Voices of Discontent part 2	2,171	5,586	7,757	-
	Community Builders	-	41,548	41,548	-
	Data Exploration	-	38,251	38,251	-
	Revolution for health	-	23,275	23,275	-
	Residential care	-	41,650	41,650	-
		10,110	456,464	466,574	-

The following funders provided funding for these restricted projects:

Big Change Charitable Trust - Growth Mindset/ Mind over Matter
 Birmingham, Jubilee Centre - Education for character
 City University - Scottish Government - Poverty
 DfID - Social media for election communication and monitoring in Nigeria
 Esmee Fairbairn - Community Supermarkets scoping
 Joseph Rowntree Foundation - Essays on poverty & ethnicity
 Kent University - Rethinking Incapacity
 Open Society European Policy Institute - Digital Democracy
 Responsible Gambling Trust - Gambling & Social Media
 Sussex University/ Police Knowledge Fund - Policing Hate Crime
 True Colour Trust - Disabled children
 Warwick - ESRC CASM project
 European Commission - Grant through Political Capital
 Friends Provident - Regional/ Local Banks
 Paul Hamlyn Foundation - Coproduction in Schools / Pupil Power
 Home Office - Immigration Index
 Newham Council/City of London/Aldgate - Young Muslims Entry into the Professions
 JRSST Charitable Trust - Creation of Voter Advice Application
 Open Society European Policy Institute - Voices of Discontent part 2
 Nationwide Foundation - Community Builders
 Technology Strategy Board - Data Exploration
 Wellcome Trust - Revolution for health
 Forces in Mind Trust - Residential care

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NOTES TO THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2015

21 PENSION COMMITMENTS

Contributions totalling £8,103 (2014: £9,676) were payable at the balance sheet date and are included in creditors.

22 OPERATING LEASE COMMITMENTS

At 31 December 2015 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2015	2014
	£	£
Expiry date:		
Within 1 year		47,500
Between 2 and 5 years	105,600	
After more than 5 years		105,600

23 RELATED PARTY TRANSACTIONS

During the year, no Trustees received any remuneration or benefits in kind (2014 - £Nil).
During the year, no Trustees received reimbursement of expenses (2014 - £Nil).