

Charity Registration No. 1042046

Company Registration No. 2977740 (England and Wales)

DEMOS

TRUSTEE'S REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2013

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DEMOS

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Kieran Brett Nick Claydon Phil Collins Elsbeth Johnson John Knell
Secretary	Claudia Wood
Charity number	1042046
Company number	2977740
Registered office	Magdalen House 136 Tooley Street London SE1 2TU
Auditors	Auria Audit LLP 9 Wimpole Street London W1G 9SR

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DEMOS

TRUSTEE'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their report and financial statements for the year ended 31 December 2013.

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).

Structure, governance and management

The organisation is a charitable company limited by guarantee, incorporated on 11 October 1994 and registered as a charity on 11 November 1994. The Company was established under a Memorandum of Association which establishes the objects and powers of the charity.

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

Kieran Brett (Appointed 4 September 2013)

Nick Claydon

Phil Collins

Penny Egan (Resigned 2 September 2013)

Elsbeth Johnson

John Knell

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 2013 was 5 (2012 - 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.

The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

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 Directors review Demos' risks and the actions put in place to mitigate them.

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.

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TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

Objectives and activities

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 Director who provides leadership to the organisation and specifically leads the development of the intellectual and research agenda of the charity. Reporting to the Director are the Deputy Directors, the Head of Finance, the Head of External Affairs and heads of programmes. 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 2013

2013 was our 20th Birthday year, and as such our main aims for 2013 were to continue to improve the financial standing of the organisation alongside promoting the Demos brand with an intellectual refresh and outreach to new partners. Specific objectives were

- Continuing to improve Demos' reputation and profile
- Deliver a series of Birthday events, essay collection and related media activity, as well as prepare for the re-launch of Demos Quarterly (journal)
- Maintain stringent cost control measures on research projects
- To maintain the reduced fixed staff costs to give us greater flexibility regarding our single largest expense (wages)
- To deliver high profile, large research projects combined with shorter term pieces to maintain a more stable cash-flow throughout the year
- To host a comprehensive series of events at the autumn Party Conferences as well as a year-round events programme to supplement our research income

A lower than expected project income, combined with Birthday related costs affected our overall financial position by year end. Nonetheless, we delivered a successful party conference programme and maintained a stable flow of work throughout the year, ensuring cash flow remained predictable. We also launched Demos Impact in Q3, a membership programme with universities around the UK, which will continue to grow and provide a stable source of additional income in coming years.

We maintained the strategic decision taken in 2011 not to replace permanent staff lost through natural wastage unless it damaged the capacity of the organisation, and to continue to sub-let our events space. We have expanded the sub-let area of our office as our full-time staff team grew smaller, leading to continued reduction in our fixed costs.

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TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

Achievements during 2013

Specific achievements for 2013 include:

- The securing of a large grant from the Paul Hamlyn Foundation to run a two year pilot in four schools, exploring the use of coproduction techniques with disengaged pupils
- The start of a three-year evaluation of a Department of Health funded pilot run by the Motor-Neurone disease association
- Two influential reports on End of Life Care, which has generated continued policy engagement with large organisations and the government on this issue
- A very popular and well-attended Birthday lecture series and keynote lecture by former Leader of the Canadian Liberal Party and leading public intellectual on both sides of the Atlantic, discussing the troubles of progressive politics
- A refreshed Demos Facebook page to celebrate our 20th Birthday, with a timeline of important dates in our history <https://www.facebook.com/demosonline>
- The launch of Demos Impact, a membership programme with universities to bring academic work into the public and policy making arena

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TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

PUBLICATIONS

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

In 2013, Demos published a number of think pieces and essays by external authors which were very well received and influential. One of these was *Twenty Years of Ideas*, an essay collection celebrating Demos's 20th Birthday. The collection included contributions from high profile thinkers, many of whom worked with Demos during our history - these contributors in particular were asked to revisit their previous work with Demos and reflect on the development of their ideas over the 20 year period.

Titles published during the year include:

- **Faithful providers** - Jonathan Birdwell
 - **Squaring the circle** - Max Wind-Cowie
 - **The power of prepaid** - Claudia Wood and Jo Salter
 - **New political actors in Europe: Beppe Grillo and the M5S** - Jamie Bartlett et al.
 - **Control shift** - Max Wind-Cowie
 - **Policing in an information age** - Jamie Bartlett et al.
 - **Virtually members** - Jamie Bartlett et al.
 - **Detoxifying school accountability** - James Park
 - **Something for something** - Duncan O'Leary
 - **@metpoliceUK** - Jamie Bartlett and Carl Miller
 - **Ways and means** - Claudia Wood and Ally Paget
 - **The state of the service nation** - Jonathan Birdwell and Rutger Birnie
 - **Twenty years of ideas** - Ralph Scott and David Goodhart (eds.)
 - **Finance for growth** - Andrew Freeman
 - **One year on** - Claudia Wood
 - **Generation strains** - Duncan O'Leary et al.
 - **The top of the ladder** - Claudia Wood
 - **The faith collection** - Jon Birdwell
 - **Health in austerity** - Claudia Wood
 - **God in government** - Zaki Cooper
 - **Backsliders: Measuring democracy in the EU** - Jonathan Birdwell et al.
 - **New political actors in Europe** - Jamie Bartlett et al.
 - **Service generation** - Jonathan Birdwell and Carl Miller
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TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

- **Sobering up** - Jonathan Birdwell et al.
- **Giving something back** - Jonathan Birdwell and Ally Paget
- **Paying the price** - Max Wind-Cowie and Jo Salter
- **The state of the art** - Jamie Bartlett and Carl Miller
- **Irrational optimists** - Max Wind-Cowie et al.
- **Heads up: Bitcoin** - Jamie Bartlett et al.

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:

Moving On Up: How welfare and skills can work together

Demos hosted policymakers and industry experts, including Esther McVey, Minister of State for Employment, to address how the welfare-to-work system can contribute to improved living-standards, not simply by helping people into work, but also by ensuring that people can find jobs that provide opportunities for training and progression.

Giving Something Back

The launch of Demos' report assessing the value of charity retailers on the high street featured an expert panel exploring the relationship between charity retail and the high streets of the present and future, including the Minister for Local Government and High Streets, Brandon Lewis MP, and Social Value Ambassador Chris White MP.

The Chicago Plan: Radical ways to reinvent banking

Demos Finance hosted speakers Michael Kumhof, Adair Turner and Anatole Kaletsky who addressed radical reform initiatives for the UK banking sector, following Michael Kumhof's paper on revisiting the so-called Chicago Plan.

The Top of the Ladder

The launch event of the Top of the Ladder report, on the chronic under-supply of appropriate housing for older people, also marked the launch of The Campaign for Housing in Later Life. The event featured a discussion with Jack Dromey MP, Shadow Housing Minister; Paul Burstow MP, former Minister of State for Care Services; Richard Blakeway, London Deputy Mayor for Housing, Land and Property; and was chaired by Esther Rantzen CBE.

Twentieth Birthday Lecture Series

To mark Demos' Twentieth Birthday, Demos hosted a series of lectures looking at some of the biggest challenges facing society over the next 20 years:

- Paul Burstow MP considered how an ageing population will affect the next twenty years and whether our public services are fit for purpose;
- Jesse Norman MP discussed how to remoralise the economy and laid out a conservative vision for long term economic reform, and was joined by economists Mariana Mazzucato and Andrew Lilico;
- Michael Ignatieff, former Leader of the Canadian Liberal Party and leading public intellectual on both sides of the Atlantic, discussed the troubles of progressive politics, the apparently growing gap between political elites and ordinary voters and how to engage the demos, build coalitions and lead, with responses from Lord Maurice Glasman, Richard Sennett, David Willetts MP, and Alison Wolf;

DEMOS

TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

- Diane Abbott MP, Labour's shadow public health minister, identified a 'crisis of masculinity' in Britain, and argued that rapid economic and social change has affected male identity, creating a number of largely unspoken problems.

Poverty Events Series

Following the 2012 flagship report, Poverty in Perspective, Demos this year ran a series of seminars, aiming to assist the Joseph Rowntree Foundation with its anti-poverty strategy programme. Discussions with a wide range of experts generated deeper understanding of the issues at stake and ideas for policy interventions.

Liberty versus Security

The Rt Hon Yvette Cooper MP gave a major speech laying out Labour's plans to balance to national security with concerns about issues of liberty and freedom of speech.

PROJECTS

Demos carried out a wide range of research projects during 2013, 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. We also worked in partnership with the statisticians at NatCen, Ipsos Mori and Cass Business school, as well as with our Impact Partners in universities around the UK

Top of the Ladder

A review of the gap between supply and demand of specialist housing for older people, providing new quantitative analysis on the scale of the problem and acting as a valuable evidence base for the start of a campaign by a coalition of housing providers to overcome barriers to supply of new housing for older people.

Health in austerity

An essay collection in partnership with Durham University, a Demos Impact Member. This collection brought together academics, MPs, journalists and practitioners to discuss the impact of the economic downturn and austerity policies on public health and the development of the NHS.

Backsliders: Measuring democracy in the EU

This research created an innovative measure of democracy and reviewing EU member states against this, creating a matrix showing which members states were 'backsliding' in terms of open democratic processes.

Generation strains

This partnership with IpsosMori was a very well received and widely discussed analysis of changing attitudes to welfare and the welfare state, comparing attitudinal data from different age cohorts to understand trends in opinions of contributory welfare and 'deserving' poor.

Policing in an information age

This research was an extremely timely exploration of how police forces use social media as a form of intelligence related to unfolding crimes, and their ability to use this in a robust and responsive way.

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TRUSTEE'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

Financial review

Demos currently has no reserves and is in a net liabilities position as described below. Having cleared all of our legacy debt including HMRC and our loan with Venturesome in 2012, we sought to maintain this position in 2013 and service all debts as they fell due. Our strategy for achieving this was to take a firmer hold of project costs and to reduce our fixed costs (rent and staff costs), which we have been able to do without undermining Demos' capacity to deliver high quality work to deadline. Mixing longer term grant-based projects with a number of smaller projects which could be completed within a shorter time frame has helped us to maintain a reliable cash-flow while these debts were being serviced.

Although we had a successful Party Conference and a number of new project signings during 2013, overall project-related income was slightly lower than anticipated. This, combined with some Birthday-related costs associated with our essay collection and lecture series, and two projects generating slightly larger than anticipated costs meant we ended the year on a small deficit. Nonetheless we are confident that our birthday activities, preparation for our new Demos Quarterly and launch of Demos Impact will generate considerable additional funding interest in 2014.

At 1 January 2013, the balance sheet showed net liabilities of £58,198k. In 2013 the team continued to monitor and reduce project and fixed costs and maintain a strong focus on fundraising throughout the year. However birthday activity combined with lower than anticipated income has meant that the audited balance sheet at the end of December 2013 shows a net liability of £80,625 and shows that the company ended the year with a deficit of £23,799.

Plans for the future

2014, the year before the election, is seeing Demos expand our offer to include Demos Impact, Demos Quarterly and a range of essay collection and think piece outputs. This has already started to attract a more varied range of funding partners and will help smooth out income between larger research grants.

In response to the need for stronger intellectual direction and responsiveness to policy development opportunities, we have planned to give the Director David Goodhart an advisory role as head of a new Advisory Board, tasked with keeping Demos as the forefront of emerging policy thinking and political developments. Deputy director Claudia Wood takes over day to day running of organisation. This will ensure more effective delegation of duties and help position Demos as a go-to research and policy organisation in the run-up to the Election.

The Directors have reviewed the latest results for 2013 and the budget for 2014 together with a cash flow forecast. Based upon these forecasts 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.

Auditors

Auria Audit LLP were appointed auditors to the company, a resolution proposing that they be re-appointed will be put to the members.

On behalf of the board of trustees



Phil Collins

Trustee

Dated: 2 June 2014

DEMOS

STATEMENT OF TRUSTEE'S RESPONSIBILITIES

The trustees, who are also the directors of Demos for the purpose of company law, are responsible for preparing the Trustee's Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF DEMOS

We have audited the accounts of Demos for the year ended 31 December 2013 set out on pages 12 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the statement of trustee's responsibilities, the trustees, who are also the directors of Demos for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

The trustees have elected for the accounts to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our responsibility is to audit and express an opinion on the accounts 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 accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity'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 accounts. In addition, we read all the financial and non-financial information in the Trustee's Annual Report to identify material inconsistencies with the audited accounts. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2013 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE TRUSTEES 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 Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustee's Report is inconsistent in any material respect with the accounts; or
- the charitable company has not kept adequate accounting records; or
- the accounts are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

R. Davis.

R Davis (Senior Statutory Auditor)
for and on behalf of Auria Audit LLP

Chartered Accountants
Statutory Auditor
9 Wimpole Street
London
W1G 9SR

Dated: 3 June 2014

Auria Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

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STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	Unrestricted funds £	Restricted funds £	Total 2013 £	Total 2012 £
Incoming resources from generated funds					
Voluntary income	2	35,325	-	35,325	47,253
Rental income	3	71,400	-	71,400	60,591
		106,725	-	106,725	107,844
Incoming resources from charitable activities	4	973,041	135,104	1,108,145	1,313,202
Other incoming resources	5	7,802	-	7,802	52,453
Total incoming resources		1,087,568	135,104	1,222,672	1,473,499
Resources expended					
Charitable activities					
Projects	6	890,344	123,384	1,013,728	1,091,935
Events and seminars		158,010	15,000	173,010	210,657
Publications and subscriptions		5,310	-	5,310	3,825
Secondments		15,128	-	15,128	-
Total charitable expenditure		1,068,792	138,384	1,207,176	1,306,417
Governance costs		39,295	-	39,295	39,129
Total resources expended		1,108,087	138,384	1,246,471	1,345,546
Net (expenditure)/income for the year/ Net movement in funds		(20,519)	(3,280)	(23,799)	127,953
Fund balances at 1 January 2013		(58,212)	3,280	(54,932)	(182,885)
Fund balances at 31 December 2013		(78,731)	-	(78,731)	(54,932)

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

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BALANCE SHEET

AS AT 31 DECEMBER 2013

	Notes	2013 £	£	2012 £	£
Fixed assets					
Tangible assets	9		1,894		3,266
Current assets					
Debtors	10	239,729		367,720	
Cash at bank and in hand		34,784		6,625	
		<u>274,513</u>		<u>374,345</u>	
Creditors: amounts falling due within one year	11	<u>(355,138)</u>		<u>(432,543)</u>	
Net current liabilities			<u>(80,625)</u>		<u>(58,198)</u>
Total assets less current liabilities			<u><u>(78,731)</u></u>		<u><u>(54,932)</u></u>
Income funds					
Restricted funds			-		3,280
Unrestricted funds			<u>(78,731)</u>		<u>(58,212)</u>
			<u><u>(78,731)</u></u>		<u><u>(54,932)</u></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 December 2013, although an audit has been carried out under section 144 of the Charities Act 2011. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts under the requirements of the Companies Act 2006.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing accounts 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 incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

These accounts have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

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BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2013

The accounts were approved by the Board on 2 June 2014



Phil Collins

Trustee

Company Registration No. 2977740

DEMOS

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2013

1 Accounting policies

1.1 Basis of preparation

The financial statements are prepared under the historical cost convention.

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005 and the Companies Act 2006.

1.2 Incoming resources

Voluntary income is received by way of donations and grants, and is included in full in the Statement of Financial Activities when receivable.

Revenue grants are credited to the Statement of Financial Activities when received or receivable whichever is earlier, unless they relate to a specific future period, in which case they are deferred.

Contractual income is recognised in the Statement of Financial Activities as entitlement is earned through completion of the contract.

1.3 Resources expended

Resources expended are allocated to the particular activity where the cost relates directly to that activity. Resources expended include attributable VAT which cannot be recovered. The direct payroll costs of each activity are allocated on the basis of job function.

Governance costs include 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%	

1.4 Tangible fixed assets and depreciation

Tangible fixed assets costing more than £500 are capitalised in the balance sheet at purchase costs plus the cost of bringing the asset into working condition for its intended use. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset over its expected useful life. The depreciation rates in use are as follows:

Plant and machinery	3 years
Fixtures, fittings & equipment	5 years

Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities.

Assets are reviewed for impairment if circumstances indicate that their carrying amount may not be recoverable. Impaired assets are written down to their recoverable value being the higher of their net realisable value and value in use.

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NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

1 Accounting Policies

(continued)

1.5 Leasing and hire purchase commitments

Rent payable under operating leases, where all the risks and rewards of ownership remain with the lessors, are charged to the Statement of Financial Activities in the year in which they fall due.

1.6 Pensions

The charitable company contributes to a stakeholder pension scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charitable company to the fund. The charitable company has no liability under the scheme other than for the payment of those contributions.

1.7 Foreign currency translation

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

1.8 Accumulated funds

Restricted funds are subject to specific conditions by donors as to how they may be used. Expenditure which meets these criteria is chargeable to the funds. Unrestricted funds are donations and other incoming resources received or generated for charitable purposes.

2 Voluntary income

	2013 £	2012 £
Donations and gifts	35,325	47,253

3 Rental income

	2013 £	2012 £
Rental income	71,400	60,591

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NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

4 Incoming resources from charitable activities

	Unrestricted funds £	Restricted funds £	Total 2013 £	Total 2012 £
Projects	775,818	120,104	895,922	1,103,716
Events and seminars	168,118	15,000	183,118	143,050
Publications and subscriptions	12,943	-	12,943	52,195
Secondments	16,162	-	16,162	14,241
	<u>973,041</u>	<u>135,104</u>	<u>1,108,145</u>	<u>1,313,202</u>

5 Other incoming resources

	2013 £	2012 £
Other income	<u>7,802</u>	<u>52,453</u>

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NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

6 Total resources expended

	Staff costs £	Depreciation £	Other costs £	Total 2013 £	Total 2012 £
Charitable activities					
<u>Projects</u>					
Activities undertaken directly	379,821	1,108	572,812	953,741	1,091,935
Support costs	38,834	107	21,046	59,987	-
Total	418,655	1,215	593,858	1,013,728	1,091,935
<u>Events and seminars</u>					
Activities undertaken directly	65,112	138	104,232	169,482	210,657
Support costs	2,284	6	1,238	3,528	-
Total	67,396	144	105,470	173,010	210,657
<u>Publications and subscriptions</u>					
Activities undertaken directly	-	-	1,781	1,781	3,825
Support costs	2,284	7	1,238	3,529	-
Total	2,284	7	3,019	5,310	3,825
<u>Secondments</u>					
Activities undertaken directly	-	-	15,128	15,128	-
	488,335	1,366	717,475	1,207,176	1,306,417
Governance costs	23,989	6	15,300	39,295	39,129
	512,324	1,372	732,775	1,246,471	1,345,546

Auditors' remuneration

Fees payable to the auditor for the audit of the charity's annual accounts	10,000	10,000
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NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

7 Support costs

	Projects	Events and seminars	Publications and subscription	Total 2013	Total 2012
	£	£	£	£	£
Premises and office expenses	21,046	1,238	1,238	23,522	-
Staff costs	38,834	2,284	2,284	43,402	-
Depreciation	107	6	7	120	-
	<u>59,987</u>	<u>3,528</u>	<u>3,529</u>	<u>67,044</u>	<u>-</u>

8 Employees

Number of employees

The average monthly number of employees during the year was:

	2013 Number	2012 Number
Projects	9	12
Events and seminars	2	2
Support costs	1	1
Governance	-	1
	<u>12</u>	<u>16</u>

Employment costs

	2013 £	2012 £
Wages and salaries	443,533	465,444
Social security costs	49,161	52,693
Other pension costs	19,630	20,656
	<u>512,324</u>	<u>538,793</u>

The number of employees whose annual remuneration was £60,000 or more were:

	2013 Number	2012 Number
£60,001 - £70,000	<u>1</u>	<u>2</u>

DEMOS

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

9 Tangible fixed assets

	Plant and machinery £	Fixtures, fittings & equipment £	Total £
Cost			
At 1 January 2013 and at 31 December 2013	78,562	28,502	107,064
Depreciation			
At 1 January 2013	75,389	28,409	103,798
Charge for the year	1,279	93	1,372
At 31 December 2013	76,668	28,502	105,170
Net book value			
At 31 December 2013	1,894	-	1,894
At 31 December 2012	3,173	93	3,266

10 Debtors

	2013 £	2012 £
Trade debtors	82,264	225,717
Amounts owed by group undertakings	22,235	22,235
Other debtors	31,194	29,500
Prepayments and accrued income	104,036	90,268
	239,729	367,720

11 Creditors: amounts falling due within one year

	2013 £	2012 £
Trade creditors	159,102	114,951
Taxes and social security costs	19,253	59,776
Other creditors	27,163	29,454
Accruals	149,620	228,362
	355,138	432,543

DEMOS

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

12 Pension and other post-retirement benefit commitments Defined contribution

	2013 £	2012 £
Contributions payable by the company for the year	19,630	20,656

13 Analysis of net assets between funds

	£	£	Total £
Fund balances at 31 December 2013 are represented by:			
Tangible fixed assets	1,894	-	1,894
Current assets	274,513	-	274,513
Creditors: amounts falling due within one year	(355,138)	-	(355,138)
	(78,731)	-	(78,731)

14 Commitments under operating leases

At 31 December 2013 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2013 £	2012 £
Expiry date:		
Between two and five years	95,000	72,250