

COMPANY REGISTRATION NUMBER 4194448

**ELECTORAL REFORM INTERNATIONAL SERVICES
LIMITED**

COMPANY LIMITED BY GUARANTEE

FINANCIAL STATEMENTS

FOR

31ST DECEMBER 2007

SATURDAY



A53 *AEAW6156* 200
05/07/2008
COMPANIES HOUSE

A. I. COHEN & ASSOCIATES LIMITED

Chartered Accountants & Registered Auditors
61 Crowstone Road
Westcliff on Sea
Essex
SS0 8BG

**ELECTORAL REFORM INTERNATIONAL SERVICES LIMITED
COMPANY LIMITED BY GUARANTEE**

FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2007

CONTENTS	PAGES
The directors' report	1 to 2
Independent auditor's report to the members	3 to 4
Profit and loss account	5
Balance sheet	6
Cash flow statement	7 to 8
Notes to the financial statements	9 to 13
The following pages do not form part of the financial statements	
Detailed profit and loss account	15
Notes to the detailed profit and loss account	16

ELECTORAL REFORM INTERNATIONAL SERVICES LIMITED COMPANY LIMITED BY GUARANTEE

THE DIRECTORS' REPORT

YEAR ENDED 31ST DECEMBER 2007

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31st December 2007

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was that of support to elections and the democratic process internationally

The company's balance sheet shows a satisfactory position, members' funds amounting to £182,827

RESULTS

The loss for the year amounted to £137,306 The directors have not recommended a dividend

DIRECTORS

The directors who served the company during the year were as follows

Mr S T Osborn	
Mr D Harris	
Mr D Mathieson	
Mr T Humphreys	
Mr K Best	
Mr A Cameron	
Dame A Glover	
Miss K Oliver	
Ms S Roberts	(Appointed 26th July 2007)
Mr J Turner	(Retired 23rd May 2007)
Mr M Stevens	(Retired 23rd May 2007)
Mr O Thomas	(Retired 23rd May 2007)

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate

**ELECTORAL REFORM INTERNATIONAL SERVICES LIMITED
COMPANY LIMITED BY GUARANTEE**

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31ST DECEMBER 2007

to presume that the company will continue in business

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

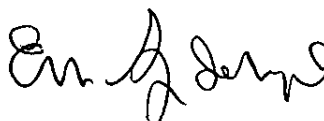
- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

AUDITOR

A resolution to re-appoint A I Cohen & Associates Limited as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985

Registered office:
6 Chancel Street
London
SE1 0UU

Signed by order of the directors



ERIC SYDDIQUE
Company Secretary

Approved by the directors on . . . 6th June 2008

**ELECTORAL REFORM INTERNATIONAL SERVICES LIMITED
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ELECTORAL REFORM INTERNATIONAL SERVICES LIMITED**

YEAR ENDED 31ST DECEMBER 2007

We have audited the financial statements of *Electoral Reform International Services Limited* for the year ended 31st December 2007, which have been prepared on the basis of the accounting policies set out on page 9

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with *International Standards on Auditing (UK and Ireland)* issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**ELECTORAL REFORM INTERNATIONAL SERVICES LIMITED
COMPANY LIMITED BY GUARANTEE**

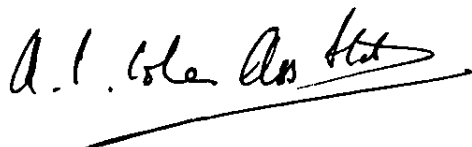
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ELECTORAL REFORM INTERNATIONAL SERVICES LIMITED (continued)**

YEAR ENDED 31ST DECEMBER 2007

OPINION

In our opinion.

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31st December 2007 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements



A I COHEN & ASSOCIATES LIMITED
Chartered Accountants
& Registered Auditors
61 Crowstone Road
Westcliff on Sea
Essex
SS0 8BG

30 June 2008

**ELECTORAL REFORM INTERNATIONAL SERVICES LIMITED
COMPANY LIMITED BY GUARANTEE**

**PROFIT AND LOSS ACCOUNT
YEAR ENDED 31ST DECEMBER 2007**

	Note	2007 £	2006 £
TURNOVER	2	910,497	1,085,712
Cost of sales		<u>753,594</u>	<u>806,773</u>
GROSS PROFIT		156,903	278,939
Administrative expenses		<u>248,779</u>	<u>335,647</u>
OPERATING LOSS	3	(91,876)	(56,708)
Interest receivable		4,731	2,449
Interest payable and similar charges	6	—	(18)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(87,145)</u>	<u>(54,277)</u>
Tax on loss on ordinary activities	7	<u>(9,160)</u>	<u>(676)</u>
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		<u>(77,985)</u>	<u>(53,601)</u>
Prior year charges	8	59,321	—
LOSS FOR THE FINANCIAL YEAR		<u>(137,306)</u>	<u>(53,601)</u>
Balance brought forward		<u>320,133</u>	<u>373,734</u>
Balance carried forward		<u>182,827</u>	<u>320,133</u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the
year as set out above

**ELECTORAL REFORM INTERNATIONAL SERVICES LIMITED
COMPANY LIMITED BY GUARANTEE**

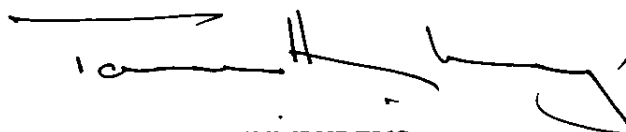
BALANCE SHEET

31ST DECEMBER 2007

	Note	2007 £	£	2006 £	£
FIXED ASSETS					
Tangible assets	9		3,582		5,520
CURRENT ASSETS					
Debtors	10	312,815		208,961	
Cash at bank and in hand	11	76,850		564,894	
		<u>389,665</u>		<u>773,855</u>	
CREDITORS: Amounts falling due within one year	12	<u>210,420</u>		<u>459,242</u>	
NET CURRENT ASSETS			<u>179,245</u>		<u>314,613</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>182,827</u>		<u>320,133</u>
RESERVES	14				
Profit and loss account			<u>182,827</u>		<u>320,133</u>
MEMBERS' FUNDS			<u>182,827</u>		<u>320,133</u>

These financial statements were approved by the directors and authorised for issue on 6th June 2008, and are signed on their behalf by


MR D MATHIESON


MR T HUMPHREYS

**ELECTORAL REFORM INTERNATIONAL SERVICES LIMITED
COMPANY LIMITED BY GUARANTEE**

CASH FLOW STATEMENT

YEAR ENDED 31ST DECEMBER 2007

Note	2007 £	2006 £
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	(299,192)	103,376
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	4,731	2,449
Interest paid	<u>—</u>	<u>(18)</u>
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	4,731	2,431
TAXATION	9,160	(8,853)
CAPITAL EXPENDITURE		
Payments to acquire tangible fixed assets	<u>(305)</u>	<u>(5,322)</u>
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE	(305)	(5,322)
CASH (OUTFLOW)/INFLOW BEFORE FINANCING	(285,606)	91,632
FINANCING		
Net outflow from other short-term creditors	<u>(142,317)</u>	<u>(12,962)</u>
NET CASH OUTFLOW FROM FINANCING	(142,317)	(12,962)
(DECREASE)/INCREASE IN CASH	<u>(427,923)</u>	<u>78,670</u>

**RECONCILIATION OF OPERATING LOSS TO NET CASH (OUTFLOW)/INFLOW
FROM OPERATING ACTIVITIES**

	2007 £	2006 £
Operating loss	(91,876)	(56,708)
Depreciation	2,243	3,677
(Increase)/decrease in debtors	(103,854)	69,995
(Decrease)/increase in creditors	<u>(105,705)</u>	<u>86,412</u>
Net cash (outflow)/inflow from operating activities	<u>(299,192)</u>	<u>103,376</u>

**ELECTORAL REFORM INTERNATIONAL SERVICES LIMITED
COMPANY LIMITED BY GUARANTEE**

CASH FLOW STATEMENT *(continued)*

YEAR ENDED 31ST DECEMBER 2007

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2007 £	2006 £
(Decrease)/Increase in cash in the period	(487,244)	78,670
Net outflow from other short-term creditors	<u>142,317</u>	<u>12,962</u>
Movement in net funds in the period	<u>(344,927)</u>	<u>91,632</u>
Net funds at 1 January 2007	<u>301,777</u>	210,145
Net funds at 31 December 2007	<u>(43,150)</u>	<u>301,777</u>

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Jan 2007 £	Cash flows £	At 31 Dec 2007 £
Net cash			
Cash in hand and at bank	564,894	(488,044)	76,850
Overdrafts	<u>(800)</u>	<u>800</u>	<u>-</u>
	<u>564,094</u>	<u>(487,244)</u>	<u>76,850</u>
Debt:			
Debt due within 1 year	<u>(262,317)</u>	<u>142,317</u>	<u>(120,000)</u>
Net funds	<u>301,777</u>	<u>(344,927)</u>	<u>(43,150)</u>

ELECTORAL REFORM INTERNATIONAL SERVICES LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2007

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Office Equipment - 50% IT equipment and 25% remainder

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

2. TURNOVER

The turnover and loss before tax are attributable to the one principal activity of the company. An analysis of turnover is given below

	2007 £	2006 £
Outside the United Kingdom	<u>910,497</u>	<u>1,085,712</u>

**ELECTORAL REFORM INTERNATIONAL SERVICES LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2007

3. OPERATING LOSS

Operating loss is stated after charging/(crediting)

	2007	2006
	£	£
Depreciation of owned fixed assets	2,243	3,677
Auditor's remuneration		
- as auditor	1,700	1,700
- for other services	2,941	2,941
Net (profit)/loss on foreign currency translation	<u>(10,192)</u>	<u>600</u>

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2007	2006
	No	No
Number of management staff	<u>4</u>	<u>5</u>

The aggregate payroll costs of the above were:

	2007	2006
	£	£
Wages and salaries	162,397	203,699
Social security costs	12,672	17,273
Other pension costs	5,950	12,220
	<u>181,019</u>	<u>233,192</u>

5. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were

	2007	2006
	£	£
Emoluments receivable	95,550	135,750
Value of company pension contributions to money purchase schemes	4,060	8,557
	<u>99,610</u>	<u>144,307</u>

The number of directors who accrued benefits under company pension schemes was as follows

	2007	2006
	No	No
Money purchase schemes	<u>2</u>	<u>3</u>

**ELECTORAL REFORM INTERNATIONAL SERVICES LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2007

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2007 £	2006 £
Interest payable on bank borrowing	<u>-</u>	<u>18</u>

7. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2007 £	2006 £
Current tax		
Corporation tax	-	-
Over provision in prior year	<u>(9,160)</u>	<u>(676)</u>
Total current tax	<u>(9,160)</u>	<u>(676)</u>

(b) Factors affecting current tax charge

	2007 £	2006 £
Loss on ordinary activities before taxation	<u>(87,145)</u>	<u>(54,277)</u>
Profit on ordinary activities by rate of tax	-	-
Adjustments to tax charge in respect of previous periods	-	(676)
Refund of tax against carried back tax losses	<u>(9,160)</u>	-
Total current tax (note 7(a))	<u>(9,160)</u>	<u>(676)</u>

8. PRIOR YEAR CHARGES

	2007 £	2006 £
Prior year project losses	42,552	
Prior year non-recoverable funds	<u>16,769</u>	<u>-</u>

**ELECTORAL REFORM INTERNATIONAL SERVICES LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2007

9. TANGIBLE FIXED ASSETS

	Office Equipment £
COST	
At 1st January 2007	34,539
Additions	<u>305</u>
At 31st December 2007	<u>34,844</u>
DEPRECIATION	
At 1st January 2007	29,019
Charge for the year	<u>2,243</u>
At 31st December 2007	<u>31,262</u>
NET BOOK VALUE	
At 31st December 2007	<u>3,582</u>
At 31st December 2006	<u>5,520</u>

10. DEBTORS

	2007 £	2006 £
Trade debtors	44,842	160,535
Project debtors	260,650	39,119
Sundry debtors and prepayments	<u>7,323</u>	<u>9,307</u>
	<u>312,815</u>	<u>208,961</u>

11. CASH AT BANK AND IN HAND

	2007 £	2006 £
Bank deposit account	23,804	66
Bank current account	20,000	3,172
Euro bank account	4,423	557,520
Dollar bank account	26,629	2,235
Ugandan bank account	1,886	1,886
Euro bank account re Liberia	—	15
Petty cash	<u>108</u>	<u>—</u>
	<u>76,850</u>	<u>564,894</u>

**ELECTORAL REFORM INTERNATIONAL SERVICES LIMITED
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2007

12. CREDITORS: Amounts falling due within one year

	2007		2006	
	£	£	£	£
Overdrafts		—		800
Other creditors.				
Project deposits held	—		262,317	
Associated Company loan	<u>120,000</u>		—	
		120,000		262,317
Sundry creditors and accruals		<u>90,420</u>		<u>196,125</u>
		<u>210,420</u>		<u>459,242</u>

Note Associated Company Loan - received 15th September 2007, interest @ 6.44% per annum is payable on redemption.

13. RELATED PARTY TRANSACTIONS

Consultants fees amounting to £32,790 were paid to Opalview Computers Limited during the year. Mr D Mathieson is a director and controlling shareholder of Opalview Computers Limited. At 31st December 2007 the company owed £9,636 to Opalview Computers Limited.

14. COMPANY LIMITED BY GUARANTEE

The company is limited by guarantee without any share capital. The elected members of the Council of the parent company Electoral Reform Society (Limited by Guarantee) act as guarantors. In the event of the company being wound up, each member is liable to contribute for payment of debts and liabilities of the company such amount not exceeding £1.