

COMPANY REGISTRATION NUMBER 4194448

**ELECTORAL REFORM INTERNATIONAL SERVICES
LIMITED**

**COMPANY LIMITED BY GUARANTEE
FINANCIAL STATEMENTS**

**FOR
31ST DECEMBER 2008**



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 2008

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ELECTORAL REFORM INTERNATIONAL SERVICES LIMITED COMPANY LIMITED BY GUARANTEE

THE DIRECTORS' REPORT

YEAR ENDED 31ST DECEMBER 2008

The directors present their report and the financial statements of the company for the year ended 31st December 2008.

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 deficit, amounting to £1,787

GOING CONCERN

The directors believe that the company's financial statements should be prepared on a going concern basis. They have identified current and future requirements for funding and have made arrangements for adequate support from the Electoral Reform Society to cover these. They have considered a period of twelve months from the date of approval of the financial statements and believe that all relevant matters have been disclosed and that no further disclosures relating to the company's ability to continue need to be made in the financial statements.

RESULTS

The loss for the year amounted to £184,614.

DIRECTORS

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

Mr S.T. Osborn
Mr D. Harris
Mr D. Mathieson
Mr K. Best
Mr A. Cameron
Dame A. Glover
Miss K. Oliver
Ms. S. Roberts
Mr T. Humphreys

(Retired 31st August 2008)

Ms. S. Roberts retired as a director in January 2009.

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 to presume that the company will continue in business.

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

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31ST DECEMBER 2008

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 13th July 2009.

**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 2008

We have audited the financial statements of Electoral Reform International Services Limited for the year ended 31st December 2008, which have been prepared on the basis of the accounting policies set out on pages 10 to 11.

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 2008

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 2008 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

14th July 2009

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

**PROFIT AND LOSS ACCOUNT
YEAR ENDED 31ST DECEMBER 2008**

	Note	2008 £	2007 £
TURNOVER	2	573,914	910,497
Cost of sales		<u>447,058</u>	<u>753,594</u>
GROSS PROFIT		126,856	156,903
Administrative expenses		<u>299,680</u>	<u>248,779</u>
OPERATING LOSS	3	(172,824)	(91,876)
Interest receivable		1,224	4,731
Interest payable and similar charges	6	<u>(5,809)</u>	<u>-</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(177,409)	(87,145)
Tax on loss on ordinary activities	7	<u>-</u>	<u>(9,160)</u>
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(177,409)	(77,985)
Prior year charges	8	<u>7,205</u>	<u>59,321</u>
LOSS FOR THE FINANCIAL YEAR		<u>(184,614)</u>	<u>(137,306)</u>

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

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

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

YEAR ENDED 31ST DECEMBER 2008

	2008 £	2007 £
Loss for the financial year attributable to the members	(184,614)	(137,306)
Currency translation differences on foreign currency net investments	<u>(9,249)</u>	<u>(10,192)</u>
Total gains and losses recognised since the last annual report	<u>(193,863)</u>	<u>(147,498)</u>


ELECTORAL REFORM INTERNATIONAL SERVICES LIMITED COMPANY LIMITED BY GUARANTEE

BALANCE SHEET

31ST DECEMBER 2008

	Note	2008 £	£	2007 £	£
FIXED ASSETS					
Tangible assets	9		3,171		3,582
CURRENT ASSETS					
Debtors	10	63,745		312,815	
Cash at bank and in hand	11	<u>435,467</u>		<u>76,850</u>	
		499,212		389,665	
CREDITORS: Amounts falling due within one year	12	<u>456,941</u>		<u>210,420</u>	
NET CURRENT ASSETS			<u>42,271</u>		<u>179,245</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>45,442</u>		<u>182,827</u>
CREDITORS: Amounts falling due after more than one year	13		<u>47,229</u>		<u>—</u>
			<u>(1,787)</u>		<u>182,827</u>
RESERVES	15				
Profit and loss account	16		<u>(1,787)</u>		<u>182,827</u>
(DEFICIT)/MEMBERS' FUNDS			<u>(1,787)</u>		<u>182,827</u>

These financial statements were approved by the directors and authorised for issue on 13 July 2009, and are signed on their behalf by:


MR D. MATHIESON


MR K. BEST

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

CASH FLOW STATEMENT

YEAR ENDED 31ST DECEMBER 2008

	Note	2008 £	2007 £
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES		76,566	(358,513)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		1,224	4,731
Interest paid		<u>(5,809)</u>	<u>—</u>
NET CASH (OUTFLOW)/INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(4,585)	4,731
TAXATION		—	9,160
CAPITAL EXPENDITURE			
Payments to acquire tangible fixed assets		<u>(967)</u>	<u>(305)</u>
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE		(967)	(305)
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		71,014	(344,927)
FINANCING			
Net inflow/(outflow) from other short-term creditors		240,374	(142,317)
Repayment of long-term amounts owed to group undertakings		<u>47,229</u>	<u>—</u>
NET CASH INFLOW/(OUTFLOW) FROM FINANCING		287,603	(142,317)
INCREASE/(DECREASE) IN CASH		<u>358,617</u>	<u>(487,244)</u>

ELECTORAL REFORM INTERNATIONAL SERVICES LIMITED COMPANY LIMITED BY GUARANTEE

CASH FLOW STATEMENT *(continued)*

YEAR ENDED 31ST DECEMBER 2008

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

	2008 £	2007 £
Operating loss	(172,824)	(91,876)
Depreciation	1,378	2,243
Decrease/(increase) in debtors	249,070	(103,854)
Increase/(decrease) in creditors	6,147	(105,705)
Extraordinary items	(7,205)	(59,321)
Net cash inflow/(outflow) from operating activities	<u>76,566</u>	<u>(358,513)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2008 £	2007 £
Increase/(decrease) in cash in the period	358,617	(487,244)
Net (inflow) from/outflow from other short-term creditors	(240,374)	142,317
Net cash (inflow) from long-term amounts owed to group undertakings	<u>(47,229)</u>	<u>—</u>
	<u>71,014</u>	(344,927)
Change in net funds	71,014	(344,927)
Net funds at 1 January 2008	(43,150)	301,777
Net funds at 31 December 2008	<u>27,864</u>	<u>(43,150)</u>

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Jan 2008 £	Cash flows £	At 31 Dec 2008 £
Net cash:			
Cash in hand and at bank	<u>76,850</u>	<u>358,617</u>	<u>435,467</u>
Debt:			
Debt due within 1 year	(120,000)	(240,374)	(360,374)
Debt due after 1 year	<u>—</u>	<u>(47,229)</u>	<u>(47,229)</u>
	(120,000)	(287,603)	(407,603)
Net funds	<u>(43,150)</u>	<u>71,014</u>	<u>27,864</u>

ELECTORAL REFORM INTERNATIONAL SERVICES LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2008

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

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.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2008

1. ACCOUNTING POLICIES *(continued)*

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

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.

Going concern

As reported by the directors the accounts have been prepared on a going concern basis.

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:

	2008 £	2007 £
Outside the United Kingdom	<u>573,914</u>	<u>910,497</u>

3. OPERATING LOSS

Operating loss is stated after charging/(crediting):

	2008 £	2007 £
Depreciation of owned fixed assets	1,378	2,243
Auditor's remuneration		
- as auditor	4,025	1,700
- for other services	1,725	2,941
Net profit on foreign currency translation	<u>(9,249)</u>	<u>(10,192)</u>

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2008

4. PARTICULARS OF EMPLOYEES

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

	2008	2007
	No	No
Number of management staff	<u>5</u>	<u>4</u>

The aggregate payroll costs of the above were:

	2008	2007
	£	£
Wages and salaries	213,758	162,397
Social security costs	15,361	12,672
Other pension costs	11,896	5,950
	<u>241,015</u>	<u>181,019</u>

5. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2008	2007
	£	£
Emoluments receivable	89,116	95,550
Value of company pension contributions to money purchase schemes	2,918	4,060
Compensation for loss of directorship	19,280	—
	<u>111,314</u>	<u>99,610</u>

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

	2008	2007
	No	No
Money purchase schemes	<u>1</u>	<u>2</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2008	2007
	£	£
Interest payable on bank borrowing	49	—
Other similar charges payable	5,760	—
	<u>5,809</u>	<u>—</u>

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2008

7. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2008 £	2007 £
Current tax:		
Corporation tax	-	-
Refund of tax against carried back losses	-	(9,160)
Total current tax	<u>-</u>	<u>(9,160)</u>

No provision has been made for deferred tax as the amount is considered immaterial.

(b) Factors affecting current tax charge

	2008 £	2007 £
Loss on ordinary activities before taxation	<u>(177,409)</u>	<u>(87,145)</u>
Profit on ordinary activities by rate of tax	-	-
Refund of tax against carried back tax losses	-	(9,160)
Total current tax (note 7(a))	<u>-</u>	<u>(9,160)</u>

8. PRIOR YEAR CHARGES

	2008 £	2007 £
Prior year project losses and non recoverable funds	<u>7,205</u>	<u>59,321</u>

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2008

9. TANGIBLE FIXED ASSETS

	Office Equipment £
COST	
At 1st January 2008	34,844
Additions	<u>967</u>
At 31st December 2008	<u>35,811</u>
DEPRECIATION	
At 1st January 2008	31,262
Charge for the year	<u>1,378</u>
At 31st December 2008	<u>32,640</u>
NET BOOK VALUE	
At 31st December 2008	<u>3,171</u>
At 31st December 2007	<u>3,582</u>

10. DEBTORS

	2008 £	2007 £
Trade debtors	58,012	44,842
Other debtors	—	260,650
Sundry debtors and prepayments	<u>5,733</u>	<u>7,323</u>
	<u>63,745</u>	<u>312,815</u>

11. CASH AT BANK AND IN HAND

	2008 £	2007 £
Bank deposit account	27,290	23,804
Cash at bank	6,444	20,000
Euro bank account	388,032	4,423
Dollar bank account	1,681	26,629
Ugandan bank account	1,218	1,886
Euro bank account re Ivory Coast	9,657	—
Petty cash	<u>1,145</u>	<u>108</u>
	<u>435,467</u>	<u>76,850</u>

The Euro bank account holds monies received to cover expenses for an ongoing project which will continue throughout 2009 and is reflected as a creditor being project deposits held.

ELECTORAL REFORM INTERNATIONAL SERVICES LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2008

12. CREDITORS: Amounts falling due within one year

	2008		2007	
	£	£	£	£
Other creditors:				
Project deposits held	360,374		—	
Other creditors	<u>—</u>		<u>120,000</u>	
		360,374		120,000
Sundry creditors and accruals		<u>96,567</u>		<u>90,420</u>
		<u>456,941</u>		<u>210,420</u>

13. CREDITORS: Amounts falling due after more than one year

	2008	2007
	£	£
Amounts owed to group undertakings	<u>47,229</u>	<u>—</u>

The amount shown has been loaned by the parent company Electoral Reform Society so the company may be able to trade out of its current position. This an interest-free rolling loan with repayment not due before 31 December 2010.

14. RELATED PARTY TRANSACTIONS

Equipment was purchased for £1,077 from Opalview Computers Limited during the year. Mr D. Mathieson is a director and controlling shareholder of Opalview Computers Limited. At 31st December 2008 the company owed nil to Opalview Computers Limited.

15. 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.

16. PROFIT AND LOSS ACCOUNT

	2008	2007
	£	£
Balance brought forward	182,827	320,133
Loss for the financial year	<u>(184,614)</u>	<u>(137,306)</u>
Balance carried forward	<u>(1,787)</u>	<u>182,827</u>