

COMPANY REGISTRATION NUMBER 4194448

**ELECTORAL REFORM INTERNATIONAL SERVICES  
LIMITED**

**COMPANY LIMITED BY GUARANTEE**

**FINANCIAL STATEMENTS**

**FOR**

**31ST DECEMBER 2010**



**A. I. COHEN & ASSOCIATES LIMITED**

Chartered Accountants & Statutory Auditor

61 Crowstone Road

Westcliff on Sea

Essex

SS0 8BG

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

**FINANCIAL STATEMENTS**

**YEAR ENDED 31ST DECEMBER 2010**

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

## **THE DIRECTORS' REPORT**

### **YEAR ENDED 31ST DECEMBER 2010**

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31st December 2010

#### **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 2010 annual report booklet is available from our registered office

The company's balance sheet shows members' funds, amounting to £35,770

#### **FUTURE DEVELOPMENTS AND GOING CONCERN**

The directors believe that the company's financial statements should be prepared on a going concern basis. Working capital for current projects has been guaranteed by the Electoral Reform Society. The company is in a strong position as the UK's leading provider of electoral advice and support, and future projects are being developed which should be funded from commercial sources. The directors 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 these financial statements.

#### **DIRECTORS**

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

Mr D Mathieson	
Mr K Best	
Mr A Cameron	
Dame A Glover	
Miss K Oliver	
James Blair	
Dr Garth Glentworth OBE	
Derek MacLeod	
Roger Wilson	
Simon A Hearn	(Appointed 17th May 2010)
Mr S T Osborn	(Retired 28th February 2010)
James Samuel Younger	(Retired 1st September 2010)

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

## **THE DIRECTORS' REPORT *(continued)***

**YEAR ENDED 31ST DECEMBER 2010**

### **DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Directors' 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) Under company law the directors 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 company and of the profit or loss of the company for that period In preparing those 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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006 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 I. Cohen & Associates Limited are deemed to be re-appointed under section 487(2) of the Companies Act 2006

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

**THE DIRECTORS' REPORT** *(continued)*

**YEAR ENDED 31ST DECEMBER 2010**

**SMALL COMPANY PROVISIONS**

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Registered office:  
6 Chancel Street  
London  
SE1 0UU

Signed by order of the directors



ERIC SYDDIQUE  
Company Secretary

Approved by the directors on 1<sup>st</sup> August 2011

# **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 2010**

We have audited the financial statements of Electoral Reform International Services Limited for the year ended 31st December 2010. 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 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 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**

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors 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 (APB'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 directors, and the overall presentation of the financial statements.

### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31st December 2010 and of its profit 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 MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with 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 2010**

**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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report



ALAN COHEN FCA (Senior Statutory Auditor)

For and on behalf of

A I COHEN & ASSOCIATES LIMITED

Chartered Accountants & Statutory Auditor

61 Crowstone Road

Westcliff on Sea

Essex

SS0 8BG

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

**PROFIT AND LOSS ACCOUNT**

**YEAR ENDED 31ST DECEMBER 2010**

	Note	2010 £	2009 £
<b>TURNOVER</b>		<b>2,493,235</b>	<b>1,038,568</b>
Cost of sales		<u>2,102,114</u>	<u>763,533</u>
<b>GROSS PROFIT</b>		<b>391,121</b>	<b>275,035</b>
Administrative expenses		<u>364,508</u>	<u>265,903</u>
<b>OPERATING PROFIT</b>	<b>2</b>	<b>26,613</b>	<b>9,132</b>
Interest receivable		103	1,716
Interest payable and similar charges		—	(7)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>26,716</u>	<u>10,841</u>
Tax on profit on ordinary activities		—	—
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u>26,716</u>	<u>10,841</u>
Balance brought forward		<u>9,054</u>	<u>(1,787)</u>
Balance carried forward		<u>35,770</u>	<u>9,054</u>



# ELECTORAL REFORM INTERNATIONAL SERVICES LIMITED COMPANY LIMITED BY GUARANTEE

## BALANCE SHEET

31ST DECEMBER 2010

	Note	2010 £	2009 £
<b>FIXED ASSETS</b>			
Tangible assets	5	8,788	3,058
<b>CURRENT ASSETS</b>			
Stocks		—	11,504
Debtors	6	315,458	187,576
Cash at bank and in hand	7	100,252	343,371
		<u>415,710</u>	<u>542,451</u>
<b>CREDITORS: Amounts falling due within one year</b>	8	<u>388,728</u>	<u>294,492</u>
<b>NET CURRENT ASSETS</b>		<u>26,982</u>	<u>247,959</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>35,770</u>	<u>251,017</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	9	<u>—</u>	<u>241,963</u>
		<u>35,770</u>	<u>9,054</u>
<b>RESERVES</b>	11		
Profit and loss account		<u>35,770</u>	<u>9,054</u>
<b>MEMBERS' FUNDS</b>		<u>35,770</u>	<u>9,054</u>

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

These financial statements were approved by the directors and authorised for issue on 18 Aug 2011, and are signed on their behalf by:

  
MR D MATHIESON

  
MR K BEST

Company Registration Number. 4194448

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

**CASH FLOW STATEMENT**

**YEAR ENDED 31ST DECEMBER 2010**

	2010		2009
	£	£	£
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>		<b>189,249</b>	<b>(142,875)</b>
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>			
Interest received	103		1,716
Interest paid	—		(7)
<b>NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		<b>103</b>	<b>1,709</b>
<b>CAPITAL EXPENDITURE</b>			
Payments to acquire tangible fixed assets	<u>(13,399)</u>		<u>(1,601)</u>
<b>NET CASH OUTFLOW FROM CAPITAL EXPENDITURE</b>		<b>(13,399)</b>	<b>(1,601)</b>
<b>CASH INFLOW/(OUTFLOW) BEFORE FINANCING</b>		<b>175,953</b>	<b>(142,767)</b>
<b>FINANCING</b>			
Net outflow from other short-term creditors	(176,041)		(145,131)
Repayment of long-term amounts owed to group undertakings	<u>(241,963)</u>		<u>194,734</u>
<b>NET CASH (OUTFLOW)/INFLOW FROM FINANCING</b>		<b>(418,004)</b>	<b>49,603</b>
<b>DECREASE IN CASH</b>		<b><u>(242,051)</u></b>	<b><u>(93,164)</u></b>

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

	2010	2009
	£	£
Operating profit	26,613	9,132
Depreciation	7,669	1,714
Decrease/(increase) in stocks	11,504	(11,504)
Increase in debtors	(127,882)	(123,831)
Increase/(decrease) in creditors	<u>271,345</u>	<u>(18,386)</u>
Net cash inflow/(outflow) from operating activities	<u><b>189,249</b></u>	<u><b>(142,875)</b></u>

The notes on pages 10 to 13 form part of these financial statements.

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

**CASH FLOW STATEMENT**

**YEAR ENDED 31ST DECEMBER 2010**

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS**

	2010		2009	
	£	£	£	£
Decrease in cash in the period	(242,051)		(93,164)	
Net outflow from other short-term creditors	176,041		145,131	
Net cash outflow from/(inflow) from long-term amounts owed to group undertakings	<u>241,963</u>		<u>(194,734)</u>	
		<u>175,953</u>		<u>(142,767)</u>
Change in net funds		175,953		(142,767)
Net funds at 1 January 2010		<u>(114,903)</u>		27,864
Net funds at 31 December 2010		<u>61,050</u>		<u>(114,903)</u>

**ANALYSIS OF CHANGES IN NET FUNDS**

	At		At
	1 Jan 2010	Cash flows	31 Dec 2010
	£	£	£
Net cash:			
Cash in hand and at bank	343,371	(243,119)	100,252
Overdrafts	<u>(1,068)</u>	<u>1,068</u>	<u>-</u>
	<u>342,303</u>	<u>(242,051)</u>	<u>100,252</u>
Debt:			
Debt due within 1 year	(215,243)	176,041	(39,202)
Debt due after 1 year	<u>(241,963)</u>	<u>241,963</u>	<u>-</u>
	<u>(457,206)</u>	<u>418,004</u>	<u>(39,202)</u>
Net funds	<u>(114,903)</u>	<u>175,953</u>	<u>61,050</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31ST DECEMBER 2010**

**1. ACCOUNTING POLICIES**

**Basis of accounting**

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)

**Related parties transactions**

The company is a subsidiary of Electoral Reform Society (Limited by Guarantee), the consolidated accounts of which are publicly available. Accordingly, the company has taken advantage of the exemption in FRS 8 from disclosing transactions with members or investees of the Electoral Reform group.

**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:

Plant & Equipment                      -    50% IT equipment and 25% remainder

**Stocks (Work in progress)**

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. An element of profit is included in the valuation of work in progress.

**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.

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

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31ST DECEMBER 2010**

**1. ACCOUNTING POLICIES** *(continued)*

**Going concern**

As reported by the Directors the accounts have been prepared on the going concern basis

**2. OPERATING PROFIT**

Operating profit is stated after charging

	2010	2009
	£	£
Staff pension contributions	4,488	4,219
Depreciation of owned fixed assets	7,669	1,714
Auditor's fees	6,200	6,000
Net loss on foreign currency translation	<u>12,657</u>	<u>8,928</u>

**3. DIRECTORS' REMUNERATION**

The directors' aggregate remuneration in respect of qualifying services were

	2010	2009
	£	£
Aggregate remuneration	8,324	50,111
Value of company pension contributions to money purchase schemes	<u>3,496</u>	<u>5,983</u>
	<u>11,820</u>	<u>56,094</u>

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

	2010	2009
	No	No
Money purchase schemes	<u>1</u>	<u>1</u>

**4. TAXATION**

No tax is due on the profit for the year due to utilisation of tax losses brought forward

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

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31ST DECEMBER 2010**

**5. TANGIBLE FIXED ASSETS**

	<b>Plant &amp; Equipment £</b>
<b>COST</b>	
At 1st January 2010	37,412
Additions	<u>13,399</u>
<b>At 31st December 2010</b>	<u><b>50,811</b></u>
<b>DEPRECIATION</b>	
At 1st January 2010	34,354
Charge for the year	<u>7,669</u>
<b>At 31st December 2010</b>	<u><b>42,023</b></u>
<b>NET BOOK VALUE</b>	
<b>At 31st December 2010</b>	<u><b>8,788</b></u>
At 31st December 2009	<u>3,058</u>

**6. DEBTORS**

	<b>2010 £</b>	<b>2009 £</b>
Trade debtors	301,128	178,053
Sundry debtors and prepayments	<u>14,330</u>	<u>9,523</u>
	<u><b>315,458</b></u>	<u><b>187,576</b></u>

**7. CASH AT BANK AND IN HAND**

	<b>2010 £</b>	<b>2009 £</b>
Bank deposit account	—	82,619
Project bank accounts	29,728	26,864
Cash at bank	8,565	—
Euro bank account	16,186	219,939
Dollar bank account	44,356	10,108
Petty cash	<u>1,417</u>	<u>3,841</u>
	<u><b>100,252</b></u>	<u><b>343,371</b></u>

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

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31ST DECEMBER 2010**

**8. CREDITORS: Amounts falling due within one year**

	2010 £	2009 £
Overdrafts	—	1,068
Amounts owed to group undertakings	113,184	—
Other creditors.		
Project deposits held	39,202	215,243
Sundry creditors and accruals	236,342	78,181
	<u>388,728</u>	<u>294,492</u>

**9. CREDITORS: Amounts falling due after more than one year**

	2010 £	2009 £
Amounts owed to group undertakings	—	<u>241,963</u>

**10. RELATED PARTY TRANSACTIONS**

Technical computer and financial services amounting to £32,868 on overseas projects were provided by Opalview Computers Limited during the year. Mr D Mathieson is a director and controlling shareholder of Opalview Computers Limited. At 31st December 2010 the company owed £78 to Opalview Computers Limited.

**11. 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.

**12. GROUP ACCOUNTS**

Group accounts have been prepared and are available from The Electoral Reform Society (Limited by Guarantee), 6 Chancel Street, London, SE1 0UU.