

COMPANY REGISTRATION NUMBER 4194448

**ELECTORAL REFORM INTERNATIONAL SERVICES
LIMITED**

COMPANY LIMITED BY GUARANTEE

FINANCIAL STATEMENTS

FOR

31ST DECEMBER 2011

WEDNESDAY



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29/08/2012

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COMPANIES HOUSE

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 2011

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
Notes to the financial statements	7 to 10
The following pages do not form part of the financial statements	
Detailed profit and loss account	12
Notes to the detailed profit and loss account	13

ELECTORAL REFORM INTERNATIONAL SERVICES LIMITED COMPANY LIMITED BY GUARANTEE

THE DIRECTORS' REPORT

YEAR ENDED 31ST DECEMBER 2011

The directors present their report and the financial statements of the company for the year ended 31st December 2011

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 members' funds being in deficit of £134,029

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

Keith Best
James Blair
Dr Garth Glentworth
Dame Audrey Glover
Simon Hearn
Derek MacLeod
David Mathieson
Kaye Oliver
Roger Wilson
Angus Cameron

(Retired 12th November 2011)

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,

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

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31ST DECEMBER 2011

- 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

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

23rd June

2012

**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 2011

We have audited the financial statements of Electoral Reform International Services Limited as set on pages 5-10 for the year ended 31st December 2011. 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 pages 1 to 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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31st December 2011 and of its loss 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

**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 2011

EMPHASIS OF MATTER - GOING CONCERN

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the company's ability to continue as a going concern. The company incurred a net loss of £169,799 during the year ended 31 December 2011 and, at that date, the company was running at a deficit of £134,029. These conditions, along with the other matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

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.

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

12th July 2012

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

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31ST DECEMBER 2011

	Note	2011 £	2010 £
TURNOVER		1,804,072	2,493,235
Cost of sales		<u>1,639,740</u>	<u>2,102,114</u>
GROSS PROFIT		164,332	391,121
Administrative expenses		<u>334,215</u>	<u>364,508</u>
OPERATING (LOSS)/PROFIT	2	(169,883)	26,613
Interest receivable		86	103
Interest payable and similar charges		(2)	—
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(169,799)</u>	<u>26,716</u>
Tax on (loss)/profit on ordinary activities		—	—
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		<u>(169,799)</u>	<u>26,716</u>
Balance brought forward		<u>35,770</u>	<u>9,054</u>
Balance carried forward		<u>(134,029)</u>	<u>35,770</u>

The notes on pages 8 to 11 form part of these financial statements.

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

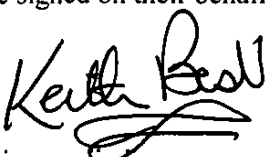
BALANCE SHEET


31ST DECEMBER 2011

	Note	2011 £	£	2010 £	£
FIXED ASSETS					
Tangible assets	5		7,275		8,788
CURRENT ASSETS					
Debtors	6	380,038		315,458	
Cash at bank and in hand	7	190,094		100,252	
		<u>570,132</u>		<u>415,710</u>	
CREDITORS: Amounts falling due within one year	8	<u>411,436</u>		<u>388,728</u>	
NET CURRENT ASSETS			<u>158,696</u>		<u>26,982</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>165,971</u>		<u>35,770</u>
CREDITORS: Amounts falling due after more than one year	9		<u>300,000</u>		<u>-</u>
			<u>(134,029)</u>		<u>35,770</u>
RESERVES	11				
Profit and loss account			<u>(134,029)</u>		<u>35,770</u>
(DEFICIT)/MEMBERS' FUNDS			<u>(134,029)</u>		<u>35,770</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 25th June 2012, and are signed on their behalf by.


KEITH BEST


DAVID MATHIESON

Company Registration Number 4194448

The notes on pages 8 to 11 form part of these financial statements

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2011

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 the FRSSE 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:

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.

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2011

1. ACCOUNTING POLICIES *(continued)*

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.

2. OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging/(crediting)

	2011	2010
	£	£
Staff pension contributions	5,461	4,488
Depreciation of owned fixed assets	6,654	7,669
Auditor's fees	6,200	6,200
Net (profit)/loss on foreign currency translation	<u>(10,716)</u>	<u>12,657</u>

3. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	2011	2010
	£	£
Aggregate remuneration	–	8,324
Value of company pension contributions to money purchase schemes	–	3,496
	<u>–</u>	<u>11,820</u>

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

	2011	2010
	No	No
Money purchase schemes	–	1

4. TAXATION

No tax was due on the profit for 2010 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 2011

5. TANGIBLE FIXED ASSETS

	Equipment £
COST	
At 1st January 2011	50,811
Additions	<u>5,141</u>
At 31st December 2011	<u>55,952</u>
DEPRECIATION	
At 1st January 2011	42,023
Charge for the year	<u>6,654</u>
At 31st December 2011	<u>48,677</u>
NET BOOK VALUE	
At 31st December 2011	<u>7,275</u>
At 31st December 2010	<u>8,788</u>

6. DEBTORS

	2011 £	2010 £
Trade debtors	373,543	301,128
Sundry debtors and prepayments	<u>6,495</u>	<u>14,330</u>
	<u>380,038</u>	<u>315,458</u>

7. CASH AT BANK AND IN HAND

	2011 £	2010 £
Project bank accounts	15,655	29,728
Cash at bank	29,725	8,565
Euro bank account	143,218	16,186
Dollar bank account	707	44,356
Petty cash	<u>789</u>	<u>1,417</u>
	<u>190,094</u>	<u>100,252</u>

ELECTORAL REFORM INTERNATIONAL SERVICES LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2011

8. CREDITORS: Amounts falling due within one year

	2011 £	2010 £
Amounts owed to group undertakings	32,531	113,184
Other creditors		
Project deposits held	199,935	39,202
Sundry creditors and accruals	173,296	236,342
Social security costs	5,674	-
	<u>411,436</u>	<u>388,728</u>

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

	2011 £	2010 £
Amounts owed to group undertakings	<u>300,000</u>	<u>-</u>

The above loan from a group company has been guaranteed by the parent company with repayments due to commence in 2015. Interest is chargeable at 2% above Bank of England's base rate on an annual basis with the first payment due April 2012.

10. RELATED PARTY TRANSACTIONS

Technical computer and financial services on overseas projects amounting to £210 (2010 - £32,868) were provided by Opalview Computers Limited during the year. David Mathieson is a director and controlling shareholder of Opalview Computers Limited. At 31st December 2011 the company owed £0 (2010- £78) to Opalview Computers Limited.

Consultancy fees on an overseas project in Nigeria amounting to £6000 were provided by Garth Glentworth, a director, during the year. This amount was outstanding at 31st December 2011.

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.