

COMPANY REGISTRATION NUMBER 4194448

**ELECTORAL REFORM INTERNATIONAL SERVICES
LIMITED**

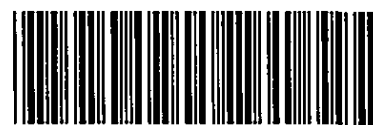
COMPANY LIMITED BY GUARANTEE

FINANCIAL STATEMENTS

FOR

31ST DECEMBER 2009

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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 2009

CONTENTS	PAGES
The directors' report	1 to 3
Independent auditor's report to the members	4 to 5
Profit and loss account	6
Balance sheet	7
Cash flow statement	8 to 9
Notes to the financial statements	10 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 2009

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31st December 2009.

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 2009 annual report and our plans for 2010 and beyond booklet is available from our registered office

The company's balance sheet shows members' funds, amounting to £9,054

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.

DIRECTORS

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

Mr S T Osborn	
Mr D Mathieson	
Mr K Best	
Mr A. Cameron	
Dame A Glover	
Miss K Oliver	
James Blair	(Appointed 30th April 2009)
Dr Garth Glentworth OBE	(Appointed 30th April 2009)
Derek MacLeod	(Appointed 30th April 2009)
Roger Wilson	(Appointed 30th April 2009)
James Samuel Younger	(Appointed 30th April 2009)
Mr D Harris	(Retired 4th September 2009)
Ms S Roberts	(Retired 31st January 2009)

ELECTORAL REFORM INTERNATIONAL SERVICES LIMITED COMPANY LIMITED BY GUARANTEE

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31ST DECEMBER 2009

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

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

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31ST DECEMBER 2009

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, this year, which the directors deem to be an adequate reporting format

Registered office
6 Chancel Street
London
SE1 0UU

Signed by order of the directors



ERIC SYDDIQUE
Company Secretary

Approved by the directors on

17th August 2010

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 2009

We have audited the financial statements of Electoral Reform International Services Limited for the year ended 31st December 2009. 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 Section 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 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 2009 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 2009

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 and the directors' report in accordance with the small companies regime.



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

25 Aug 2010

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

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31ST DECEMBER 2009

	Note	2009 £	2008 £
TURNOVER		1,038,568	573,914
Cost of sales		<u>763,533</u>	<u>447,058</u>
GROSS PROFIT		275,035	126,856
Administrative expenses		<u>265,903</u>	<u>306,885</u>
OPERATING PROFIT/(LOSS)	2	9,132	(180,029)
Interest receivable		<u>1,716</u>	<u>1,224</u>
Interest payable and similar charges		<u>(7)</u>	<u>(5,809)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		10,841	(184,614)
Tax on profit/(loss) on ordinary activities		<u>-</u>	<u>-</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>10,841</u>	<u>(184,614)</u>

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

ELECTORAL REFORM INTERNATIONAL SERVICES LIMITED COMPANY LIMITED BY GUARANTEE

BALANCE SHEET

31ST DECEMBER 2009

	Note	2009 £	£	2008 £	£
FIXED ASSETS					
Tangible assets	4		3,058		3,171
CURRENT ASSETS					
Work in progress		11,504		—	
Debtors	5	187,576		63,745	
Cash at bank and in hand	6	343,371		435,467	
		542,451		499,212	
CREDITORS: Amounts falling due within one year	7	294,492		456,941	
NET CURRENT ASSETS			247,959		42,271
TOTAL ASSETS LESS CURRENT LIABILITIES			251,017		45,442
CREDITORS: Amounts falling due after more than one year	8		241,963		47,229
			9,054		(1,787)
RESERVES	10				
Profit and loss account	11		9,054		(1,787)
MEMBERS' FUNDS/(DEFICIT)			9,054		(1,787)

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 17th Aug 2010, and are signed on their behalf by


MR D MATHIESON


MR K BEST

Company Registration Number. 4194448

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 2009

	2009		2008
	£	£	£
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES		(142,875)	76,566
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received	1,716		1,224
Interest paid	<u>(7)</u>		<u>(5,809)</u>
NET CASH INFLOW/(OUTFLOW) FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		1,709	(4,585)
CAPITAL EXPENDITURE			
Payments to acquire tangible fixed assets	<u>(1,601)</u>		<u>(967)</u>
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE		(1,601)	(967)
CASH (OUTFLOW)/INFLOW BEFORE FINANCING		(142,767)	71,014
FINANCING			
Net (outflow)/inflow from other short-term creditors	(145,131)		240,374
Repayment of long-term amounts owed to group undertakings	<u>194,734</u>		<u>47,229</u>
NET CASH INFLOW FROM FINANCING		49,603	287,603
(DECREASE)/INCREASE IN CASH		<u>(93,164)</u>	<u>358,617</u>

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

	2009	2008
	£	£
Operating profit/(loss)	9,132	(180,029)
Depreciation	1,714	1,378
Increase in stocks	(11,504)	-
(Increase)/decrease in debtors	(123,831)	249,070
(Decrease)/increase in creditors	<u>(18,386)</u>	<u>6,147</u>
Net cash (outflow)/inflow from operating activities	<u>(142,875)</u>	<u>76,566</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 2009

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2009		2008	
	£	£	£	£
(Decrease)/increase in cash in the period	(93,164)		358,617	
Net outflow from/(inflow) from other short-term creditors	145,131		(240,374)	
Net cash (inflow) from long-term amounts owed to group undertakings	(194,734)		(47,229)	
	(142,767)			71,014
Change in net funds	(142,767)			71,014
Net funds at 1 January 2009	27,864			(43,150)
Net funds at 31 December 2009	(114,903)			27,864

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Jan 2009 £	Cash flows £	At 31 Dec 2009 £
Net cash.			
Cash in hand and at bank	435,467	(92,096)	343,371
Overdrafts	—	(1,068)	(1,068)
	435,467	(93,164)	342,303
Debt			
Debt due within 1 year	(360,374)	145,131	(215,243)
Debt due after 1 year	(47,229)	(194,734)	(241,963)
	(407,603)	(49,603)	(457,206)
Net funds	27,864	(142,767)	(114,903)

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

ELECTORAL REFORM INTERNATIONAL SERVICES LIMITED COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2009

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 Services (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 except as below

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

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 2009

1. ACCOUNTING POLICIES *(continued)*

Going concern

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

2. OPERATING PROFIT/(LOSS)

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

	2009	2008
	£	£
Staff pension contributions	4,219	8,978
Depreciation of owned fixed assets	1,714	1,378
Auditor's fees	6,000	4,025
Net loss/(profit) on foreign currency translation	<u>8,928</u>	<u>(9,249)</u>

3. DIRECTORS' REMUNERATION

The directors' aggregate remuneration and other payments in respect of qualifying services were:

	2009	2008
	£	£
Aggregate remuneration	50,111	89,116
Value of company pension contributions to money purchase schemes	5,983	2,918
Compensation for loss of directorship	—	19,280
	<u>56,094</u>	<u>111,314</u>

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

	2009	2008
	No	No
Money purchase schemes	<u>1</u>	<u>1</u>

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2009

4. TANGIBLE FIXED ASSETS

	Plant & Equipment £
COST	
At 1st January 2009	35,811
Additions	<u>1,601</u>
At 31st December 2009	<u>37,412</u>
DEPRECIATION	
At 1st January 2009	32,640
Charge for the year	<u>1,714</u>
At 31st December 2009	<u>34,354</u>
NET BOOK VALUE	
At 31st December 2009	<u>3,058</u>
At 31st December 2008	<u>3,171</u>

5. DEBTORS

	2009 £	2008 £
Trade debtors	178,053	58,012
Sundry debtors and prepayments	<u>9,523</u>	<u>5,733</u>
	<u>187,576</u>	<u>63,745</u>

6. CASH AT BANK AND IN HAND

	2009 £	2008 £
Bank deposit account	82,619	27,290
Bank of Africa re Ivory Coast	25,067	—
Stanbic dollar bank re Zimbabwe	1,797	—
Cash at bank	—	6,444
Euro bank account	219,939	388,032
Dollar bank account	10,108	1,681
Ugandan bank account	—	1,218
Euro bank account re Liberia	—	9,657
Petty cash	<u>3,841</u>	<u>1,145</u>
	<u>343,371</u>	<u>435,467</u>

The Euro bank account holds monies received to cover expenses for an ongoing project which will continue throughout 2010 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 2009

7. CREDITORS: Amounts falling due within one year

	2009 £	2008 £
Overdrafts	1,068	–
Other creditors		
Project deposits held	215,243	360,374
Sundry creditors and accruals	<u>78,181</u>	<u>96,567</u>
	<u>294,492</u>	<u>456,941</u>

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

	2009 £	2008 £
Amounts owed to group undertakings	<u>241,963</u>	<u>47,229</u>

The amount shown has been loaned by the parent company, Electoral Reform Society in order that the company may be able to trade out of its current position. This is an interest-free rolling loan with repayment not due before 31 December 2011.

9. RELATED PARTY TRANSACTIONS

Services were provided amounting to £13,390 64 by Opalview Computers Limited during the year. Mr D. Mathieson is a director and controlling shareholder of Opalview Computers Limited. At 31st December 2009 the company owed £13,390 64 to Opalview Computers Limited.

10. 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.

11. PROFIT AND LOSS ACCOUNT

	2009 £	2008 £
Balance brought forward	(1,787)	182,827
Profit/(loss) for the financial year	<u>10,841</u>	<u>(184,614)</u>
Balance carried forward	<u>9,054</u>	<u>(1,787)</u>

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.

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

MANAGEMENT INFORMATION

YEAR ENDED 31ST DECEMBER 2009

**The following pages do not form part of the statutory financial statements
which are the subject of the independent auditor's report on pages 4 to 5**

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

DETAILED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31ST DECEMBER 2009

	2009		2008
	£	£	£
TURNOVER			
Fees Receivable	1,038,568		573,914
COST OF SALES			
Travelling Expenses	145,182		107,242
Consultants fees and expenses	480,578		313,776
Disbursements to host countries	1,901		16,020
Project costs	135,872		7,773
Office time charged out to projects	<u>-</u>		<u>2,247</u>
	<u>763,533</u>		<u>447,058</u>
GROSS PROFIT	<u>275,035</u>		<u>126,856</u>
OVERHEADS			
Administrative expenses	<u>265,903</u>		<u>306,885</u>
OPERATING PROFIT/(LOSS)	<u>9,132</u>		<u>(180,029)</u>
Bank interest receivable	<u>1,716</u>		<u>1,224</u>
	<u>10,848</u>		<u>(178,805)</u>
Interest payable	<u>(7)</u>		<u>(5,809)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES	<u>10,841</u>		<u>(184,614)</u>

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

NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31ST DECEMBER 2009

	2009		2008	
	£	£	£	£
ADMINISTRATIVE EXPENSES				
Personnel costs				
Directors salaries	50,111		89,116	
Directors NIC	—		4,204	
Directors pension contributions	5,983		2,918	
Directors compensation for loss of office	—		19,280	
Wages and salaries	127,567		105,362	
Staff NIC	12,415		11,157	
Staff pension contributions	4,219		8,978	
		200,295		241,015
General expenses				
Travel and subsistence	7,797		7,822	
Telecommunication expenses	4,899		5,020	
Office expenses	4,106		8,725	
Insurance	10,000		12,468	
Computer maintenance and expenses	5,369		5,022	
Printing, stationery and postage	4,071		2,189	
Sundry expenses	1,008		590	
Prior year project losses and non recoverable funds	—		7,205	
Website design and promotional material	3,016		8,694	
Professional fees	1,426		5,809	
Accountancy fees	2,225		1,725	
Auditors remuneration	6,000		4,025	
Depreciation	1,714		1,378	
		51,631		70,672
Financial costs				
Bank charges	5,049		4,447	
Foreign currency (gains)/losses	8,928		(9,249)	
		13,977		(4,802)
		265,903		306,885
INTEREST RECEIVABLE				
Bank interest receivable		1,716		1,224
INTEREST PAYABLE				
Bank interest payable		7		49
Interest on other loans		—		5,760
		7		5,809