

**ELECTORAL REFORM INTERNATIONAL SERVICES
LIMITED BY GUARANTEE
FINANCIAL STATEMENTS
FOR
31ST DECEMBER 2001**

Company Registration Number 4194448



A. I. COHEN & ASSOCIATES
Chartered Accountants & Registered Auditors
61 Crowstone Road
Westcliff on Sea
Essex

**ELECTORAL REFORM INTERNATIONAL SERVICES
LIMITED BY GUARANTEE**

FINANCIAL STATEMENTS

PERIOD ENDED 31ST DECEMBER 2001

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ELECTORAL REFORM INTERNATIONAL SERVICES LIMITED BY GUARANTEE

THE DIRECTORS' REPORT

PERIOD ENDED 31ST DECEMBER 2001

The directors have pleasure in presenting their report and the financial statements of the company for the period ended 31st December 2001.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company was incorporated on the 4th April 2001 and commenced trading on the 1st June 2001.

The principal activity of the company during the year was election monitoring and the provision of training relating to election matters and the democratic process in countries outside the United Kingdom.

The company's balance sheet shows a satisfactory position, members' funds amounting to £28,338.

RESULTS

The trading results for the period, and the company's financial position at the end of the period are shown in the attached financial statements.

DIRECTORS

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

Mrs J.F. Bradshaw	(Appointed 4th April 2001)
Rev D.M. Mason	(Appointed 26th April 2001)
Mr S.T. Osborn	(Appointed 26th April 2001)
Mr O. Thomas	(Appointed 26th April 2001)
Mr D. Harris	(Appointed 26th April 2001)
Mr D. Mathieson	(Appointed 26th April 2001)
Mr J. Turner	(Appointed 26th April 2001)

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the period and of the profit or loss for the period then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 7, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors 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.

**ELECTORAL REFORM INTERNATIONAL SERVICES
LIMITED BY GUARANTEE**

THE DIRECTORS' REPORT *(continued)*

PERIOD ENDED 31ST DECEMBER 2001

AUDITORS

A resolution to re-appoint A. I. Cohen & Associates as auditors 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 17th July 2002

ELECTORAL REFORM INTERNATIONAL SERVICES LIMITED BY GUARANTEE

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

PERIOD ENDED 31ST DECEMBER 2001

We have audited the financial statements on pages 4 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

As described on page 1, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

It is our responsibility to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company 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 United Kingdom Auditing Standards 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.

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December 2001 and of the profit of the company for the period then ended, and have been properly prepared in accordance with the Companies Act 1985.


A. I. COHEN & ASSOCIATES

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

195 July 2002

**ELECTORAL REFORM INTERNATIONAL SERVICES
LIMITED BY GUARANTEE**

PROFIT AND LOSS ACCOUNT

PERIOD ENDED 31ST DECEMBER 2001

	Note	2001 £
TURNOVER	2	374,706
Cost of sales		<u>251,735</u>
GROSS PROFIT		122,971
Administrative expenses		<u>88,445</u>
OPERATING PROFIT	3	34,526
Interest receivable		1,116
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>35,642</u>
Tax on profit on ordinary activities	6	(7,304)
RETAINED PROFIT FOR THE FINANCIAL PERIOD		<u>28,338</u>

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

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

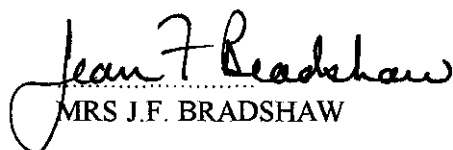
ELECTORAL REFORM INTERNATIONAL SERVICES LIMITED BY GUARANTEE

BALANCE SHEET

31ST DECEMBER 2001

	Note	£
FIXED ASSETS		
Tangible assets	7	3,481
CURRENT ASSETS		
Debtors	8	95,027
Cash at bank and in hand		<u>133,289</u>
		228,316
CREDITORS: Amounts falling due within one year	9	<u>(203,459)</u>
NET CURRENT ASSETS		<u>24,857</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>28,338</u>
RESERVES	11	
Profit and Loss Account		<u>28,338</u>
MEMBERS' FUNDS		<u>28,338</u>

These financial statements were approved by the directors on the 17th July 2002, and are signed on their behalf by:


MRS J.F. BRADSHAW

ELECTORAL REFORM INTERNATIONAL SERVICES LIMITED BY GUARANTEE

CASH FLOW STATEMENT

PERIOD ENDED 31ST DECEMBER 2001

NET CASH INFLOW FROM OPERATING ACTIVITIES	£ 121,859
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	
Interest received	1,116
	<hr/>
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	1,116
CAPITAL EXPENDITURE	
Payments to acquire tangible fixed assets	(5,316)
	<hr/>
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE	(5,316)
	<hr/>
INCREASE IN CASH	117,659

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2001
	£
Operating profit	34,526
Depreciation	1,835
Increase in debtors	(95,027)
Increase in creditors	180,525
	<hr/>
Net cash inflow from operating activities	121,859

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	£
Increase in cash in the period	117,659
	<hr/>
Movement in net funds in the period	117,659
	<hr/>
Net funds at 31st December 2001	117,659

ANALYSIS OF CHANGES IN NET FUNDS

	At 4th April 2001 £	Cash flows £	At 31 Dec 2001 £
Net cash:			
Cash in hand and at bank	-	133,289	133,289
Overdrafts	-	(15,630)	(15,630)
	<hr/>	<hr/>	<hr/>
	-	117,659	117,659
	<hr/>	<hr/>	<hr/>
Net funds	-	117,659	117,659

ELECTORAL REFORM INTERNATIONAL SERVICES LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

PERIOD ENDED 31ST DECEMBER 2001

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 period.

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 profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2001 £
Outside the United Kingdom	<u>374,706</u>

3. OPERATING PROFIT

Operating profit is stated after charging:

	2001 £
Depreciation	1,835
Auditors' remuneration	
- as auditors	1,786
- for other services	2,336
Net loss on foreign currency translation	<u>2,087</u>

ELECTORAL REFORM INTERNATIONAL SERVICES LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

PERIOD ENDED 31ST DECEMBER 2001

3. OPERATING PROFIT *(continued)*

Auditors' fees

The fees charged by the auditors can be further analysed under the following headings for services rendered:

	2001
	£
Audit	1,786
Accountancy	1,936
Taxation	400
	<u>4,122</u>

4. PARTICULARS OF EMPLOYEES

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

	2001
	No.
Number of management staff	<u>3</u>

The aggregate payroll costs of the above were:

	2001
	£
Wages and salaries	61,334
Social security costs	4,988
Other pension costs	2,696
	<u>69,018</u>

5. DIRECTORS' EMOLUMENTS

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

	2001
	£
Emoluments receivable	22,417
Value of company pension contributions money purchase schemes	1,454
	<u>23,871</u>

The number of directors who are accruing benefits under company pension schemes were as follows:

	2001
	No.
Money purchase schemes	<u>1</u>

ELECTORAL REFORM INTERNATIONAL SERVICES LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

PERIOD ENDED 31ST DECEMBER 2001

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2001
	£
Corporation Tax based on the results for the period at 20%	<u>7,304</u>

7. TANGIBLE FIXED ASSETS

	Office Equipment
	£
COST	
Additions	<u>5,316</u>
At 31st December 2001	<u>5,316</u>
DEPRECIATION	
Charge for the period	<u>1,835</u>
At 31st December 2001	<u>1,835</u>
NET BOOK VALUE	
At 31st December 2001	<u>3,481</u>

8. DEBTORS

	2001
	£
Trade debtors	94,441
Prepayments	586
	<u>95,027</u>

9. CREDITORS: Amounts falling due within one year

	2001
	£
Bank loans and overdrafts	15,630
Amounts owed to associated undertakings	154,489
Other creditors including taxation and social security:	
Corporation Tax	<u>7,304</u>
	<u>177,423</u>
Sundry creditors and accruals	<u>26,036</u>
	<u>203,459</u>

10. RELATED PARTY TRANSACTIONS

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

**ELECTORAL REFORM INTERNATIONAL SERVICES
LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

PERIOD ENDED 31ST DECEMBER 2001

11. COMPANY LIMITED BY GUARANTEE

The Electoral Reform Society (Limited by Guarantee), a company registered in England, is deemed to be Guarantor of Electoral Reform International Services Limited.