

Company Registration No. 00958404 (England and Wales)

ELECTORAL REFORM SOCIETY LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015



ELECTORAL REFORM SOCIETY LIMITED

COMPANY INFORMATION

Directors

C Allard
K Coaker (Appointed 5 September 2015)
C Coatman
J Cruikshank (Appointed 5 September 2015)
S Curran
A Dodd
C Finlayson (Appointed 5 September 2015)
W Hobhouse (Appointed 5 September 2015)
S Hyde
P Pettinger
K Ritchie
K Sharp
R Telford (Appointed 5 September 2015)
J Walsh
O Winter (Appointed 5 September 2015)

Secretary

K West

Company number

00958404

Registered office

2-6 Boundary Row
Blackfriars
London
SE1 8HP

Auditors

BHP, Chartered Accountants
Bathurst House
86 Micklegate
York
YO1 6LQ

ELECTORAL REFORM SOCIETY LIMITED

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ELECTORAL REFORM SOCIETY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their report and financial statements for the year ended 31 December 2015.

Principal activities

The principal activity of the company during the year was the provision of advice on electoral systems and other related matters.

Directors

The following directors have held office since 1 January 2015:

C Allard	
J Asato	(Retired 5 September 2015)
C Carrigan	(Retired 5 September 2015)
K Coaker	(Appointed 5 September 2015)
C Coatman	
J Cruikshank	(Appointed 5 September 2015)
S Curran	
A Dodd	
C Finlayson	(Appointed 5 September 2015)
W Hobhouse	(Appointed 5 September 2015)
S Hyde	
T Knight	(Retired 5 September 2015)
A May	(Retired 5 September 2015)
M Meadowcroft	(Retired 5 September 2015)
P Pettinger	
K Ritchie	
K Sharp	
R Telford	(Appointed 5 September 2015)
J Walsh	
D Welfare	(Retired 5 September 2015)
O Winter	(Appointed 5 September 2015)

Auditors

BHP, Chartered Accountants are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

ELECTORAL REFORM SOCIETY LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

Statement of 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

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

By order of the board



K West

Secretary

10 September 2016

ELECTORAL REFORM SOCIETY LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ELECTORAL REFORM SOCIETY LIMITED

We have audited the financial statements of Electoral Reform Society Limited for the year ended 31 December 2015 set out on pages 5 to 11. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (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 auditors' 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/auditscopeukprivate

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 31 December 2015 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 matter 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 SOCIETY LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF ELECTORAL REFORM SOCIETY LIMITED

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 and from preparing a strategic report.

Guy Ward (Senior Statutory Auditor)
for and on behalf of BHP, Chartered Accountants

10 September 2016

Chartered Accountants
Statutory Auditor

Bathurst House
86 Micklegate
York
YO1 6LQ

ELECTORAL REFORM SOCIETY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	2014 £
Turnover		84,427	46,172
Administrative expenses		(1,094,264)	(1,022,098)
Loan guarantee	2	-	(250,000)
Operating loss	3	(1,009,837)	(1,225,926)
Profit on sale of leasehold property		-	1,066,303
Loss on ordinary activities before interest		(1,009,837)	(159,623)
Investment income	4	1,386,494	823,557
Other interest receivable and similar income	4	18,958	19,220
Interest payable and similar charges		(31,979)	-
Profit on ordinary activities before taxation		363,636	683,154
Tax on profit on ordinary activities	5	(3,792)	(160,917)
Profit for the year	11	359,844	522,237

ELECTORAL REFORM SOCIETY LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2015

	Notes	2015		2014	
		£	£	£	£
Fixed assets					
Tangible assets	6		8,170		12,421
Investments	7		5		5
			<u>8,175</u>		<u>12,426</u>
Current assets					
Debtors	8	36,192		44,370	
Cash at bank and in hand		1,965,279		1,997,145	
		<u>2,001,471</u>		<u>2,041,515</u>	
Creditors: amounts falling due within one year	9	(61,343)		(465,482)	
Net current assets			<u>1,940,128</u>		<u>1,576,033</u>
Total assets less current liabilities			<u>1,948,303</u>		<u>1,588,459</u>
Capital and reserves					
Profit and loss account	11		1,948,303		1,588,459
Shareholders' funds			<u>1,948,303</u>		<u>1,588,459</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and the Financial Reporting Standard for Smaller Entities (effective January 2015).

Approved by the Board for issue on 10 September 2016



C Coatman
Director

Company Registration No. 00958404

ELECTORAL REFORM SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents membership subscriptions which are accounted for on a receipts basis and the dividend from the Electoral Reform Services Limited which is received on a quarterly basis.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	33.33% to 50% straight line
Fixtures, fittings & equipment	10% to 25% straight line

1.5 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

2 Loan Guarantee

Electoral Reform Society Limited acted as guarantor in respect of a loan of £300,000 made by Electoral Reform Services Limited to Electoral Reform International Services Limited in 2011. The loan was unsecured. In November 2014 Electoral Reform International Services Limited was placed in to administration and the balance of £250,000 outstanding on the loan became payable by Electoral Reform Society Limited.

3 Operating loss

	2015	2014
	£	£
Operating loss is stated after charging:		
Depreciation of tangible assets	9,681	11,344
Auditors' remuneration	6,540	6,240
	<u> </u>	<u> </u>

4 Investment income

	2015	2014
	£	£
Income from shares in group undertakings	1,386,494	823,557
Bank interest	18,958	19,220
	<u> </u>	<u> </u>
	<u>1,405,452</u>	<u>842,777</u>

ELECTORAL REFORM SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

5	Taxation			2015	2014
				£	£
	Domestic current year tax				
	U.K. corporation tax			3,792	160,917
	Total current tax			<u>3,792</u>	<u>160,917</u>
6	Tangible fixed assets				
		Plant and machinery	Fixtures, fittings & equipment		Total
		£	£		£
	Cost				
	At 1 January 2015	222,639	148,649		371,288
	Additions	5,430	-		5,430
	Disposals	(214,309)	(148,649)		(362,958)
	At 31 December 2015	<u>13,760</u>	<u>-</u>		<u>13,760</u>
	Depreciation				
	At 1 January 2015	210,218	148,649		358,867
	On disposals	(214,309)	(148,649)		(362,958)
	Charge for the year	9,681	-		9,681
	At 31 December 2015	<u>5,590</u>	<u>-</u>		<u>5,590</u>
	Net book value				
	At 31 December 2015	<u>8,170</u>	<u>-</u>		<u>8,170</u>
	At 31 December 2014	<u>12,421</u>	<u>-</u>		<u>12,421</u>

ELECTORAL REFORM SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

7 Fixed asset investments

	Shares in group undertakings and participating interests £
Cost	
At 1 January 2015 & at 31 December 2015	5
Net book value	
At 31 December 2015	5
At 31 December 2014	5

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Participating interests			
Electoral Reform Services Limited	England	Ordinary	46.00
Electoral Services Limited	England	Ordinary	46.00
Electoral Reform (Market Research) Limited	England	Ordinary	46.00
The Election Centre Limited	England	Ordinary	46.00
Xpress Software Solutions Limited	England	Ordinary	36.00
Modern Mindset Limited	England	Ordinary	36.00
Membership Engagement Services Limited	England	Ordinary	46.00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

		Capital and reserves 2015 £	Profit/(loss) for the year 2015 £
	Principal activity		
Electoral Reform Services Limited	Ballot & Election Services	19,266,317	5,033,915
Electoral Services Limited	Dormant	-	-
Electoral Reform (Market Research) Limited	Dormant	-	-
The Election Centre Limited	Dormant	-	-
Xpress Software Solutions Limited	Development and sale of computer software	1,790,610	2,069,836
Modern Mindset Limited	Development and sale of computer software	704,537	833,519
Membership Engagement Services Limited	Membership Engagement Consultancy Services	642,982	151,054

ELECTORAL REFORM SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

8 Debtors	2015	2014
	£	£
Other debtors	36,192	44,370
	<u> </u>	<u> </u>
9 Creditors: amounts falling due within one year	2015	2014
	£	£
Amounts owed to group undertakings and undertakings in which the company has a participating interest	-	250,000
Taxation and social security	38,867	194,487
Other creditors	22,476	20,995
	<u> </u>	<u> </u>
	<u>61,343</u>	<u>465,482</u>
10 Pension costs		
Defined contribution		
	2015	2014
	£	£
Contributions payable by the company for the year	46,130	33,449
	<u> </u>	<u> </u>
11 Statement of movements on profit and loss account		Profit and loss account
		£
Balance at 1 January 2015		1,588,459
Profit for the year		359,844
		<u> </u>
Balance at 31 December 2015		<u>1,948,303</u>
12 Contingent liabilities		

A contingency has arisen in relation to the company's participation in The Pension Trust's defined benefit pension scheme, the Growth Plan, in earlier years. A notional employer debt liability has been actuarially estimated to be in the region of £54,516 at 30 September 2015. However, this potential liability will only be realised in the event of the company either completely withdrawing from the Growth Plan or undergoing corporate re-structuring. As both of these scenarios are extremely remote, the directors are of the opinion that no provision is required to be made in the accounts at the balance sheet date.

ELECTORAL REFORM SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

13. Financial commitments

At 31 December 2015 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2016:

	2015 £	2014 £
Operating leases which expire:		
Within one year	22,446	50,100
Between two and five years	9,840	-
	<u>32,286</u>	<u>50,100</u>

14 Related party relationships and transactions

Included in creditors at 31 December 2014 was an amount of £250,000 payable to Electoral Reform Services Limited, an associated company of Electoral Reform Society Limited. This debt arose as the result of a loan guarantee given by Electoral Reform Society Limited and which became payable in that year. The debt has been included in the profit and loss account as an exceptional item and is explained in Note 2.