

Company Registration No. 00958404 (England and Wales)

ELECTORAL REFORM SOCIETY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

ELECTORAL REFORM SOCIETY LIMITED

COMPANY INFORMATION

Directors	C Allard C Coatman J Cruikshank S Curran A Dodd C Finlayson W Hobhouse S Hyde P Pettinger K Ritchie K Sharp R Telford J Walsh O Winter L French	(Appointed 12 September 2016)
Secretary	K West	
Company number	00958404	
Registered office	2-6 Boundary Row Blackfriars London SE1 8HP	
Auditor	BHP LLP Rievaulx House 1 St Marys Court Blossom Street York YO24 1AH	

ELECTORAL REFORM SOCIETY LIMITED

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ELECTORAL REFORM SOCIETY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their annual report and financial statements for the year ended 31 December 2016.

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 directors who held office during the year and up to the date of signature of the financial statements were as follows:

C Allard

K Coaker

(Resigned 12 September 2016)

C Coatman

J Cruikshank

S Curran

A Dodd

C Finlayson

W Hobhouse

S Hyde

P Pettinger

K Ritchie

K Sharp

R Telford

J Walsh

O Winter

L French

(Appointed 12 September 2016)

Auditor

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

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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 surplus or deficit 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.

ELECTORAL REFORM SOCIETY LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually 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 auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

By order of the board



K West

Secretary

7 September 2017

ELECTORAL REFORM SOCIETY LIMITED

INDEPENDENT AUDITOR'S 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 2016 set out on pages 5 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 - 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 FRC'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 2016 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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, based on the work undertaken in the course of our audit, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Directors' Report has been prepared in accordance with applicable legal requirements.

ELECTORAL REFORM SOCIETY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ELECTORAL REFORM SOCIETY LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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 take advantage of the small companies exemption from the requirement to prepare a Strategic Report.



Jane Marshall (Senior Statutory Auditor)
for and on behalf of BHP LLP

21 September 2017

Rievaulx House
1 St Marys Court
Blossom Street
York
YO24 1AH

ELECTORAL REFORM SOCIETY LIMITED

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	2015 £
Income		114,170	84,427
Administrative expenses		(1,142,282)	(1,094,264)
Operating deficit	2	(1,028,112)	(1,009,837)
Interest receivable and similar income	4	1,174,847	1,405,452
Interest payable and similar expenses		-	(31,979)
Surplus before taxation		146,735	363,636
Taxation		3,588	(3,792)
Surplus for the financial year		150,323	359,844

ELECTORAL REFORM SOCIETY LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016		2015	
		£	£	£	£
Fixed assets					
Tangible assets	5		1,374,295		8,170
Investments	6		26		5
			<u>1,374,321</u>		<u>8,175</u>
Current assets					
Debtors	8	318,023		36,192	
Cash at bank and in hand		490,976		1,965,279	
		<u>808,999</u>		<u>2,001,471</u>	
Creditors: amounts falling due within one year	9				
		<u>(84,694)</u>		<u>(61,343)</u>	
Net current assets			<u>724,305</u>		<u>1,940,128</u>
Total assets less current liabilities			<u><u>2,098,626</u></u>		<u><u>1,948,303</u></u>
Reserves					
Income and expenditure account			<u><u>2,098,626</u></u>		<u><u>1,948,303</u></u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 7 September 2017 and are signed on its behalf by:

Claire N Coatman

C Coatman
Director

Company Registration No. 00958404

ELECTORAL REFORM SOCIETY LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

	Income and expenditure account £
Balance at 1 January 2015	1,588,459
Year ended 31 December 2015:	
Profit and total comprehensive income for the year	359,844
	<hr/>
Balance at 31 December 2015	1,948,303
Year ended 31 December 2016:	
Profit and total comprehensive income for the year	150,323
	<hr/>
Balance at 31 December 2016	2,098,626
	<hr/> <hr/>

ELECTORAL REFORM SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

Company information

Electoral Reform Society Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is 2-6 Boundary Row, Blackfriars, London, SE1 8HP.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 December 2016 are the first financial statements of Electoral Reform Society Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Income and expenditure

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

Expenses include irrecoverable VAT.

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings freehold	Nil
Plant and machinery	33.33% to 50% straight line

No depreciation is provided on buildings as they are maintained in a state of good repair and accordingly the Directors consider that the lives of these assets are so long and the residual values, based on prices prevailing at the time of valuation, are so high that any depreciation charge would be insignificant.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to surplus or deficit.

1.4 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in surplus or deficit.

ELECTORAL REFORM SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

ELECTORAL REFORM SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1.8 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.9 Retirement benefits

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.

1.10 Taxation

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

2 Operating deficit

	2016	2015
	£	£
Operating deficit for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	6,850	6,540

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 18 (2015 - 16).

4 Interest receivable and similar income

	2016	2015
	£	£
Interest receivable and similar income includes the following:		
Income from shares in group undertakings	1,151,798	1,386,494
Interest on bank deposits	23,049	18,958
	<u>1,174,847</u>	<u>1,405,452</u>

ELECTORAL REFORM SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

5 Tangible fixed assets	Land and buildings freehold	Plant and machinery	Total
	£	£	£
Cost			
At 1 January 2016	-	13,760	13,760
Additions	1,366,887	4,816	1,371,703
	<u>1,366,887</u>	<u>18,576</u>	<u>1,385,463</u>
At 31 December 2016	1,366,887	18,576	1,385,463
Depreciation and impairment			
At 1 January 2016	-	5,590	5,590
Depreciation charged in the year	-	5,578	5,578
	<u>-</u>	<u>11,168</u>	<u>11,168</u>
At 31 December 2016	-	11,168	11,168
Carrying amount			
At 31 December 2016	1,366,887	7,408	1,374,295
	<u>1,366,887</u>	<u>7,408</u>	<u>1,374,295</u>
At 31 December 2015	-	8,170	8,170
	<u>-</u>	<u>8,170</u>	<u>8,170</u>

6 Fixed asset investments	2016	2015
	£	£
Investments	26	5
	<u>26</u>	<u>5</u>

Movements in fixed asset investments

	Shares in group undertakings
	£
Cost or valuation	
At 1 January 2016	5
Additions	21
	<u>26</u>
At 31 December 2016	26
Carrying amount	
At 31 December 2016	26
	<u>26</u>
At 31 December 2015	5
	<u>5</u>

ELECTORAL REFORM SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

7 Subsidiaries

Details of the company's subsidiaries at 31 December 2016 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Electoral Reform Services Limited	England	Ballot and election services	Ordinary	25.00	-
Electoral Services Limited	England	Dormant	Ordinary	-	25.00
Electoral Reform (Market Research) Limited	England	Dormant	Ordinary	-	25.00
The Election Centre Limited	England	Dormant	Ordinary	-	25.00
Xpress Software Solutions Limited	England	Development and sale of computer software	Ordinary	-	22.50
Modern Mindset Limited	England	Development and sale of computer software	Ordinary	-	22.50
Membership Engagement Services Limited	England	Membership engagement consultancy services	Ordinary	-	25.00
Shaw & Sons Group Limited	England	Holding company	Ordinary		25.00
Shaw & Sons (Holdings) Limited	England	Intermediate holding company	Ordinary		25.00
Shaw & Sons Limited	England	Publishers and suppliers	Ordinary		25.00

8 Debtors

	2016	2015
	£	£
Amounts falling due within one year:		
Other debtors	318,023	36,192

9 Creditors: amounts falling due within one year

	2016	2015
	£	£
Trade creditors	2,989	-
Corporation tax	204	3,792
Other taxation and social security	56,694	35,075
Other creditors	24,807	22,476
	84,694	61,343

10 Members' liability

The company is limited by guarantee, not having a share capital and consequently the liability of members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the company on winding up such amounts as may be required not exceeding £1.

ELECTORAL REFORM SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

11 Financial commitments, guarantees and 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 £74,087 at 30 September 2016. 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.

12 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2016	2015
£	£
122,956	96,198
<u>122,956</u>	<u>96,198</u>