

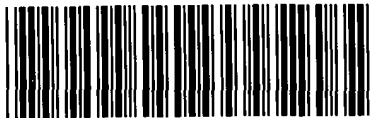
COMPANY REGISTRATION NUMBER 02440899

**UNLOCK DEMOCRACY**  
**(A company limited by guarantee)**

**REPORT AND UNAUDITED FINANCIAL  
STATEMENTS**

**31 MARCH 2020**

**WEDNESDAY**



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**COMPANIES HOUSE**

**UNLOCK DEMOCRACY**

**FINANCIAL STATEMENTS**

**For the year ended 31 MARCH 2020**

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**UNLOCK DEMOCRACY**

**REFERENCE AND ADMINISTRATIVE DETAILS**

**For the year ended 31 MARCH 2020**

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**Directors – (Current)**

Jessica Metheringham (Chair)  
Rachel Collinson  
Vicky Seddon  
Stephen Carter  
Ian Driver  
Peter Hirst  
John Franglen  
Stephen Gosling (appointed 26 June 2020)  
Catherine Bearder (appointed 26 June 2020)  
Luke Williams (appointed 26 June 2020)  
Stuart Hill (appointed 26 June 2020)  
Marcus Cain (appointed 17 July 2020)  
Sean Stone (appointed 26 June 2020)  
Helen Close (appointed 26 June 2020)  
Paul Daley (appointed 28 Sept 2020)  
Tom Pratt (appointed 28 Sept 2020)  
Mike Young (appointed 26 June 2020)  
Jack Maizels (resigned 26 April 2020)  
Andrew Blick (resigned 26 June 2020)  
Deborah Chay (resigned 26 June 2020)  
Philip Starr (resigned 11 Sept 2020)  
John Ferguson (resigned 26 June 2020)

**Secretary**

Simon Howard

**Company reg. no.**

02440899

**Registered office**

33 Corsham Street  
London  
N1 6DR

**Reporting Accountants**

Berley Chartered Accountants  
76 New Cavendish Street  
London  
W1G 9TB

## **UNLOCK DEMOCRACY**

### **REPORT OF THE COUNCIL**

**For the year ended 31 MARCH 2020**

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The Council (which is the board of directors for company law purposes) presents its report and the accounts of the company for the year ended 31 March 2020. Reference and administrative details on page 1 form part of this report.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with applicable law, the memorandum and articles of association and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to entities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102)" (as amended for accounting periods commencing from 1 January 2019). Although the organisation is not a UK registered charity, this has been done to comply with best practice, as Unlock Democracy is a not for profit organisation.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

Unlock Democracy ("UD") is a cross party, unaffiliated, campaigning organisation which operates according to the constitution agreed at its founding AGM. It is a not-for-profit company limited by guarantee and is also the only shareholder in Rodell Properties Limited ("Rodell"), a property investment company.

Legal responsibility for the management and stewardship of Unlock Democracy rests with the Council, a board of directors directly elected by Unlock Democracy's members every two years. The procedures for Unlock Democracy's elections and replacing members of the Council in between elections are set out in the constitution. The Council then elects a chair or co-Chairs; a Vice-Chair with responsibility for Rodell; and a Management Board. They all serve 2 year terms.

Day-to-day management of Unlock Democracy is delegated to the Director and the Management Board, which is a sub-committee of the Council and is responsible for overseeing issues relating to staffing, finance, fundraising, membership and Rodell. The salaries for senior staff are agreed through an appraisal system and then approved by the Management Board.

At the first Council meeting after each election, there is an induction session attended by all members of the Council. They are also given an induction pack which sets out their responsibilities as company directors, including Unlock Democracy's governing documents, a document on how decisions are taken and at what level decisions are taken, as well as an overview of the governance of Rodell and its relationship to Unlock Democracy.

Unlock Democracy's Council is responsible for assessing and monitoring risks to Unlock Democracy both organisationally and politically. This was done as part of the strategy process and is reviewed annually.

#### **Council members**

Council members, who are also the directors for the purpose of company law, who served during the year were:

- Jack Maizels (Co-Chair until December 2019)
- Danny Zinkus-Sutton (Resigned 3 March 2020)
- Stephen Carter (Vice Chair-Policy)
- Phil Starr (Vice Chair-Rodell)
- Victor Anderson (Resigned 24 June 2019)
- Andrew Blick
- Debbie Chay
- Rachel Collinson (Co-Chair from December 2019)

## **UNLOCK DEMOCRACY**

### **REPORT OF THE COUNCIL (*Continued*)**

**For the year ended 31 MARCH 2020**

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- Ian Driver
- John Ferguson
- Peter Hirst
- Jessica Metheringham (Co-Chair from March 2020)
- Andrew Manning (Resigned 16 July 2019)
- Malcolm Macintyre-Read (Resigned 6 July 2019)
- Vicky Seddon
- John Franglen (Appointed 11 July 2019)
- Mike Trace (Appointed 18 June 2019 and Resigned 16 December 2019)

### **MEMBERSHIP**

Membership is open to all who support the purpose of the Organisation, pay the current membership subscriptions and abide by the constitution.

### **OBJECTIVES AND ACTIVITIES**

#### **Objectives**

Unlock Democracy argues and campaigns for a vibrant, inclusive democracy that puts power in the hands of the people.

We seek a democratic participative process resulting in a written constitution that serves and protects the people. That constitution would define the roles of, and relationships between, the Executive, Legislature and Judiciary. It would determine how, and to what extent, power is shared between representatives at local, national and United Kingdom levels, and with international organisations. It would enshrine basic liberties and human rights for all.

We campaign:

- for fair and open elections;
- for transparency in public decision making;
- to ensure that power is exercised as close to people as is practicable;
- to empower individuals and their communities to have a greater say over the decisions that affect them;
- for democratic accountability of all elected representatives, government and public bodies; and
- for universal human rights for all.

We promote:

- a new culture of informed political interest and responsibility, paving the way for increased enthusiastic public participation; and
- a pluralist democracy that is responsive to the problems and aspirations of all people, valuing and accommodating difference, diversity and universal human rights. Everyone has the right to live their life in dignity under the law, and free from fear.

## **UNLOCK DEMOCRACY**

### **REPORT OF THE COUNCIL (*Continued*)**

**For the year ended 31 MARCH 2020**

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Unlock Democracy is a non-aligned organisation, committed to working inclusively across the political spectrum. We seek to understand how democracy works in practice and to use evidence-based research to inform and develop policies. We stand against cynicism and disengagement, and for a living democracy with the people, all the people, at its heart.

#### **Activities**

Unlock Democracy runs campaigns for a vibrant, inclusive democracy that puts power in the hands of the people. This will be achieved by creating a new constitutional settlement, designed by a citizen-led, deliberative, constitutional convention.

Campaigning activities include mobilising supporters to take actions such as signing petitions, writing letters, contacting their elected representatives or holding and attending meetings (online where necessary). In addition to this we also lobby parliamentarians, comment in the media and produce educational materials in pursuit of our objectives. Unlock Democracy has a strategy and the Director reports against criteria set out in the strategy. This is reviewed regularly by Council. Details of the activities that have been run in this financial year can be found in the achievements and performance section below and in our annual report.

#### **ACHIEVEMENTS AND PERFORMANCE**

Unlock Democracy's achievements and performance have been heavily influenced firstly by Brexit which dominated the political agenda in 2019 (and continued to do so to some extent early in 2020) and secondly by Covid which impacted from March 2020 onwards. A third impact was the departure of Alex Runswick, Unlock Democracy's Director who left at the end of 2019. She left after more than two decades at Unlock Democracy. During her term as Director she guided the organisation through a very turbulent political period and was key to establishing the Brexit Civil Society Alliance. The fourth impact was the departure of Arti Vyas, Unlock Democracy's Finance Manager, who left in March 2020 after six years. These staff changes required interim measures to be introduced which included Council members taking on a more active role and staff taking on additional responsibilities. Unlock Democracy is very grateful to staff and Council members for stepping in.

#### **Strategy**

Unlock Democracy agreed a bold new campaign strategy in April 2019 to reflect broad changes in campaigning and society, to diversify our supporter base and to be able to grow at the speed needed to win a new constitution in years, not decades. Metrics to measure progress against targets were agreed in June 2019 and monitoring of the metrics was carried out until year end.

#### **Campaigning**

##### **Campaigns staff**

As highlighted in last year's Financial Report, Unlock Democracy invested in additional campaigns staff in 2019/2020. Their impact was seen in an increase in both membership, fundraising and volume of campaigning activity. It allowed the team to experiment with cutting-edge movement-building techniques and dramatically professionalised digital content - with regular videos and democracy learning resources.

##### **New Constitution Campaign**

UD ran a Statement for a Democratic Society calling for a change in the status quo, gathering high profile politicians and signatories in support of a new, codified constitution. Unlock Democracy stepped up campaigning during the snap election.

##### **Demand Democracy**

This campaign was piloted in autumn 2019 and involved exploring democracy through issues like migration and climate that already had broader salience with target audiences. It used up to date techniques to grow Unlock Democracy and fight for a democratic society.

Workshops were held as part of the campaign. One entitled 'Disrupting the State' was tried out at the Extinction Rebellion protests. Another took place in London on exploring why the nature of power slowed action on the climate crisis. Yet another was carried out in Cardiff on why the nature of power slowed action on the migrant crisis.

## **UNLOCK DEMOCRACY**

### **REPORT OF THE COUNCIL (*Continued*)**

**For the year ended 31 MARCH 2020**

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The snap General Election stopped further events, but they could be resumed when in-person events are possible again.

#### **Extinction Rebellion**

Unlock Democracy staff members joined extinction rebellion activists in autumn 2019 to promote the Demand Democracy campaign.

#### **Campaigning under Covid**

The Covid-19 pandemic prompted radical restrictions on rights, with democratic structures pushed beyond the limits to accommodate new restrictions.

It also caused a swell of community spirit and democratic cooperation in action, as people rallied together. Unlock Democracy's campaigns since March have used both angles to raise questions about what democracy should, and could, look like in times like these. As a result many of Unlock Democracy's activities were pushed further into 2020, such as the five Democracy Gathering online event series, and eleven podcasts in the podcast season, *Democracy Under Lockdown*.

The pandemic forced Unlock Democracy to pull the plug on the March crowdfunder campaign, and cancel several face-to-face events.

However, Unlock Democracy made the switch online for meetings, and in the range of events held for audiences across the world. Covid-19 might have slowed Unlock Democracy down, but it did not stop the campaigning.

#### **Standalone projects**

##### **Brexit Civil Society Alliance**

As reported previously, the Brexit Civil Society Alliance is a grant-funded project which Unlock Democracy has hosted since 2017. Set up to coordinate civil society's response to Brexit, their focus is to bring the voice of civil society from across the entire UK to Parliament.

From April 2019 to March 2020, the Alliance continued to host events across the UK, including two all day conferences (in Manchester and London) in partnership with the Lloyds Bank Foundations and New Philanthropy Capital as well as round table events in Manchester, Liverpool and Norwich. The Alliance also organised a reception in June 2019 in Parliament bringing speakers from devolved nations together with parliamentarians. As well as representatives from Wales, Scotland, and Northern Ireland, speakers included Malene Bratlie, Dominic Grieve MP, and Paul Blomfield MP. In January 2020, the Alliance also secured an additional £17,000 in grant-funding from New Philanthropy Capital to set up a new stakeholder group of NGOs, whose purpose is to share intelligence about the EU Settlement Scheme and advocate jointly for reforms to the Scheme.

The Alliance will come to an end in January 2021 - remaining work up to that point will focus on coordinating sector-wide responses to Brexit legislation and delivering digital resources (virtual events and podcasts) to our members to help them respond to Brexit. In May 2020 the first of eight virtual events was held and in September 2020 the first of four podcasts.

#### **Resources**

Work started on the Resources Hub soon after the first Covid lockdown. Unlock Democracy's website now contains a set of free, exciting resources focused on promoting democracy.

#### **Internal elections**

Preparations were made for the Council's next set of elections. These were held in June 2020 with Council members elected for a two year term. Unlock Democracy thanks outgoing Council members for their support for the organisation.

#### **Office management**

Unlock Democracy's office manager ensured the Corsham Street premises were Covid secure for staff.

## UNLOCK DEMOCRACY

### REPORT OF THE COUNCIL (*Continued*)

For the year ended 31 MARCH 2020

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#### FINANCIAL REVIEW AND RESERVES

Unlock Democracy decreased its income in this financial year (£376,329 in 2020 compared to £434,204 in 2019) whilst expenditure increased (£419,348 in 2020 compared to £373,664 in 2019).

Unlock Democracy's principal funding sources are our members and supporters, Rodell and grant income. Subscription income is consistent (£29,968 in 2020 compared to £32,377 in 2019.) Our fundraising from our supporters (combined donations and subscriptions) decreased slightly in this period (£137,229 in 2020 compared to £143,193 in 2019). Legacy income decreased (£2,000 in 2020 compared to £27,777 in 2019.) In the long term we expect legacy income to form a larger part of our fundraising income. Support from individual donors is particularly key for Unlock Democracy as this is unrestricted funding and can support our campaigning work which may not always be popular with grant funders.

In common with most membership organisations, we need to invest in maintaining as well as growing our membership base and this is again a priority for the next financial year. Unlock Democracy has continued to make improvements to membership administrative systems. This will be continued in the coming period but additional work will be done on recruiting new members.

Unlock Democracy received £97,312 in grant income, primarily to support the work of the Brexit Civil Society Alliance. This is compared to last year (£123,495 in 2019). A priority for the next financial year will be to increase grant funding for the core work of Unlock Democracy.

Unlock Democracy is the sole shareholder of Rodell Properties Ltd and received £72,000 in management fees and £66,000 in dividends in 2020. Income from Rodell Properties has not changed in the last few years, although there are expectations that this will increase in the medium term when one of the properties is developed.

The total unrestricted reserves at the financial year end are £133,517 (2019: £179,719) and restricted funds are £36,266 (2019: £33,083).

There are no designated amounts or commitments in this financial year.

#### PLANS FOR THE FUTURE

Covid-19 will make this a challenging period for Unlock Democracy. But the organisation has adapted quickly and will continue its campaigning work to build awareness and support for the case for a new constitution. We reflect on and learn from each of the campaigns that we run and this informs our future plans. We will review our strategy and our structure to ensure that we can both react to political events and shape a campaigning narrative. We will coordinate effectively with other campaigning organisations to see how we can better work together.

On behalf of the Council



Jessica Metherringham  
Chair

Dated: 11 DEC 2020



## **UNLOCK DEMOCRACY**

### **CHARTERED ACCOUNTANTS' INDEPENDENT ASSURANCE REPORT ON THE UNAUDITED FINANCIAL STATEMENTS OF UNLOCK DEMOCRACY For the year ended 31 March 2020**

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#### **To the Council of Unlock Democracy ('the Company')**

We have reviewed the company's unaudited financial statements for the year ended 31 March 2020 set out on pages 8 to 18. The financial reporting framework that has been applied in their preparation is applicable law, the Memorandum and Articles of Association and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to entities preparing their accounts in accordance the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102)" (as amended for accounting periods commencing from 1 January 2019).

This report is made solely to the council, who are also directors for the purpose of company law, as a body, in accordance with the terms of our engagement letter dated 1 November 2017. Our review has been undertaken so that we may state to the council those matters we have agreed with them in our engagement letter 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 council as a body for our work, for this report, or for the conclusions we have formed.

#### **Council's responsibility for the financial statements**

The council is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

#### **Accountant's responsibility**

Our responsibility is to express a conclusion based on our review of the financial statements. We conducted our review in accordance with International Standard of Review Engagements (ISRE) 2400 (Revised), Engagements to review historical financial statements and ICAEW Technical Release TECH 09/12AAF Assurance review engagements on historical financial statements. ISRE 2400 also requires us to comply with ICAEW Code of Ethics.

#### **Scope of the assurance review**

A review of the financial statements in accordance with the ISRE 2400 (Revised) is a limited assurance engagement. We have performed additional procedures to those required under a compilation engagement. These primarily consist of making enquires of management and others within the entity, as appropriate, applying analytical procedures and evaluating the evidence obtained. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (UK and Ireland). Accordingly, we do not express an audit opinion on these financial statements.

#### **Conclusion**

Based on our work, nothing has come to our attention that causes us to believe the financial statements have not been prepared

- so as to give a true and fair view of the state of the company's affairs as at 31 March 2020, and of its surplus for the year ended;
- in accordance with the Charities SORP Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102); and
- in accordance with section 396 of the Companies Act 2006.

**BERLEY**

**Chartered Accountants**

**London**

**UNLOCK DEMOCRACY**

**STATEMENT OF FINANCIAL ACTIVITIES**

**For the year ended 31 MARCH 2020**

	Notes	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Total Funds 2019 £
<b>INCOME AND ENDOWMENTS FROM:</b>					
<b>Donations and legacies</b>					
Donations	3	107,261	-	107,261	110,816
Legacies		2,000	-	2,000	27,777
<b>Charitable activities</b>					
Grants	4	-	97,312	97,312	123,495
<b>Other trading activities</b>					
Subscriptions		29,968	-	29,968	32,377
<b>Investments</b>					
Interest		1,788	-	1,788	1,739
Dividends		66,000	-	66,000	66,000
<b>Other</b>					
Management fees		72,000	-	72,000	72,000
<b>TOTAL INCOMING RESOURCES</b>		<u>279,017</u>	<u>97,312</u>	<u>376,329</u>	<u>434,204</u>
<b>RESOURCES EXPENDED</b>					
<b>Raising funds</b>					
Membership communications		44,443	-	44,443	28,883
Fundraising and direct mailing		74,489	-	74,489	74,007
<b>Charitable activities</b>					
Direct campaigning		187,654	85,129	272,783	249,934
<b>Support costs</b>					
		18,633	9,000	27,633	20,840
<b>TOTAL EXPENDITURE</b>		<u>325,219</u>	<u>94,129</u>	<u>419,348</u>	<u>373,664</u>
Net incoming/(outgoing) resources for the year Being net income/(expenditure)		(46,202)	3,183	(43,019)	60,540
Transfers between funds		-	-	-	-
<b>TOTAL FUNDS AT 1 APRIL 2019</b>		<u>179,719</u>	<u>33,083</u>	<u>212,802</u>	<u>152,262</u>
<b>TOTAL FUNDS AT 31 MARCH 2020</b>		<u>133,517</u>	<u>36,266</u>	<u>169,783</u>	<u>212,802</u>

The notes on pages 12 to 20 form part of these financial statements.

UNLOCK DEMOCRACY

BALANCE SHEET

As at 31 MARCH 2020

	Notes	£	2020 £	£	2019 £
<b>FIXED ASSETS</b>					
Tangible assets	9		1,590		-
<b>CURRENT ASSETS</b>					
Debtors	10	142,637		74,216	
Cash at bank and in hand		75,927		152,739	
		<u>218,564</u>		<u>226,955</u>	
<b>CREDITORS: amounts falling due</b>					
Within one year	11	(50,371)		(14,153)	
<b>NET CURRENT ASSETS</b>					
			<u>168,193</u>		<u>212,802</u>
<b>NET ASSETS</b>					
			<u>169,783</u>		<u>212,802</u>
			=====		=====
<b>FUNDS</b>					
Unrestricted funds	12	133,517		179,719	
Restricted funds	12	36,266		33,083	
		<u>169,783</u>		<u>212,802</u>	
			<u>169,783</u>		<u>212,802</u>
			=====		=====

The company is entitled to the exemption from the audit requirement contained in Section 477 of the Companies Act 2006 for the year ended 31 March 2020. No member of the company has deposited a notice, pursuant to Section 476, requiring an audit of these accounts.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of the financial statements.

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 Directors on 28 November 2020

  
Jessica Metheringham  
Chair

Company registration number: 02440899

## UNLOCK DEMOCRACY

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 MARCH 2020

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#### 1. ACCOUNTING POLICIES

##### *Company Status*

Unlock Democracy (UD) is a private limited company limited by guarantee without share capital, incorporated in England and Wales. Its registered office is 33 Corsham Street, London N1 6DR. In the event of UD being wound up, the liability in respect of the guarantee is limited to £10 per member of the company.

##### **1.1 Accounting convention**

The accounts have been prepared in accordance with the Companies Act 2006 and "Accounting Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102)" (as amended for accounting periods commencing from 1 January 2019). The company is a Public Benefit Entity as defined by FRS102.

The company has taken advantage of the provisions in the SORP for charities applying FRS102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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

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

##### **1.2 Going Concern**

At the time of approving the accounts, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting preparing the accounts.

##### **1.3 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Council in furtherance of the general objects of UD and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Council for particular purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by UD for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in Note 12 to the financial statements.

## UNLOCK DEMOCRACY

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 MARCH 2020

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#### 1.4 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the company is legally entitled to the income and the amount can be quantified with reasonable accuracy. Voluntary income is received by way of grants, donations, legacies and other incoming reserves generated for use in furtherance of UD's activities and are all recognised on a receivable basis.

Funds received for the purchase of fixed assets are accounted for as restricted income. The treatment of the assets provided depends upon the restriction imposed by the grant and as the fixed assets' reserve. Where this occurs a corresponding transfer of the associated restricted income will be made to the unrestricted fund in the year of purchase.

#### 1.5 Local groups

The financial statements include the transactions of UD only, but not those of its local groups which operate regionally to support its campaigning aims. This is because the local group licence agreement entered into by all the groups makes it clear that they are entirely independent of UD, that all transactions are carried out in their own name and that they do not represent to be contracting on behalf of UD.

#### 1.6 Resources expended

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Support costs, which cannot be directly attributed to particular activities, have been apportioned proportionately to the direct staff costs allocated to the activities. Governance costs include the costs of servicing Council meetings, statutory accounts and strategic planning.

#### 1.7 Tangible fixed assets and depreciation

Computer software costs and items costing under £500 are not capitalised.

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

Website cost	- 4 years (25% on cost)
Office equipment	- 4 years (25% on cost)

#### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

## UNLOCK DEMOCRACY

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 MARCH 2020

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#### **1.9 Financial instruments**

The company has elected to apply the provision of Section 11 "Basic Financial Instruments" and Section 12 "Other Financial Instruments Issues" of FRS102 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 trade and other receivables 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 financial 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.

#### **1.10 Basic financial liabilities**

Basic financial liabilities, including trade and other payables are initially recognised at transaction price unless the arrangement constitutes a financial 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 payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations 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 payable are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

#### **1.11 Employee benefits**

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

## UNLOCK DEMOCRACY

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 MARCH 2020

#### 2. Critical accounting estimates and judgements

In the application of the company's accounting policies, the directors are required to make judgement, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### 3. DONATIONS

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Total Funds 2019 £
Individual donations below £2,000	107,261		107,261	110,816
	=====	=====	=====	=====

#### 4. GRANTS

	Restricted Funds 2020 £	Restricted Funds 2019 £
<u>The Brexit Civil Society Alliance</u>		
The Joseph Rowntree Charitable Trust	25,140	28,394
Joseph Rowntree Reform Trust	-	5,000
The Legal Education Foundation	38,672	31,641
JMG Foundation	25,000	25,000
Transition Advice Fund	8,500	-
Lloyds Bank Foundation	-	15,000
Barrow Cadbury Trust	-	9,000
The Waterloo Foundation	-	5,000
Paul Hamlyn Foundation	-	4,460
	<b>97,312</b>	<b>123,495</b>
	=====	=====

UNLOCK DEMOCRACY

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 MARCH 2020

5. RESOURCES EXPENDED

	Staff costs £	Direct costs £	Support costs £	Total 2020 £	Total 2019 £
Activities in furtherance of objects:					
Direct campaigning	228,611	32,709	11,463	272,783	249,934
Membership communications	39,457	3,197	1,789	44,443	28,883
	<u>268,068</u>	<u>35,906</u>	<u>13,252</u>	<u>317,226</u>	<u>278,817</u>
Costs of generating funds					
- Fundraising and direct mailing	59,789	11,989	2,711	74,489	74,007
Support costs	12,718	30,879	(15,964)	27,633	20,840
	<u>340,575</u>	<u>78,774</u>	<u>-</u>	<u>419,348</u>	<u>373,664</u>
	=====	=====	=====	=====	=====
Direct costs:					
Campaigning	-	see Note 6			
Membership communications	-	publications and website			
Fundraising	-	direct mail and telemarketing			
Support costs	-	see Note 7			

6. DIRECT COSTS OF CAMPAIGNING

	2020 £	2019 £
Campaigns and political activities	32,709	63,485
	<u>32,709</u>	<u>63,485</u>
	=====	=====



UNLOCK DEMOCRACY

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 MARCH 2020

7. SUPPORT COSTS	2020	2019
	£	£
New website & e-campaigning	769	5,979
Bank and sundry finance charges	1,694	1,900
Dues and subscriptions	1,438	934
Depreciation	510	1,228
Small fixed assets	660	798
Telecommunications	208	283
IT software and maintenance	3,657	1,632
Printing, postage and stationery	679	317
Insurance	819	231
Staff travel and subsistence	370	-
Staff training and recruitment	-	1,536
Committees	1,907	2,102
AGM, elections, referenda	1,087	3,630
Miscellaneous	2,166	762
	<u>15,964</u>	<u>21,332</u>
	=====	=====

8. STAFF NUMBERS AND COSTS	2020	2019
	£	£
Wages and salaries	304,295	236,562
Social security costs	26,469	19,565
Pension costs	9,810	7,933
	<u>340,574</u>	<u>264,060</u>
	=====	=====

The average number of employees during the year was:

	Number 2020	Number 2019
Direct campaigning	7.0	6.2
Membership services	0.7	0.8
Fundraising	1.4	1.6
Governance	0.3	0.2
	<u>9.4</u>	<u>8.8</u>
	=====	=====

No employee received remuneration of more than £60,000.

UNLOCK DEMOCRACY

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 MARCH 2020

9. TANGIBLE FIXED ASSETS

	Office Equipment £	Website £	Total £
<b>Cost</b>			
At 1 April 2019	4,747	20,340	25,087
Additions	2,120	-	2,120
	-----	-----	-----
At 31 March 2020	6,867	20,340	27,207
	=====	=====	=====
<b>Depreciation</b>			
At 1 April 2019	4,747	20,340	25,087
Charge for the year	530	-	530
	-----	-----	-----
At 31 March 2020	5,277	20,340	25,617
	=====	=====	=====
<b>Net book value</b>			
At 31 March 2020	1,590	-	1,590
	=====	=====	=====
At 31 March 2019	-	-	-
	=====	=====	=====

10. DEBTORS: DUE WITHIN ONE YEAR

	2020 £	2019 £
Rodell Properties Ltd, loan	132,635	64,992
Other debtors	10,002	7,603
VAT	-	1,621
	-----	-----
	142,637	74,216
	=====	=====

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade creditors	3,732	626
VAT	2,913	-
Social security and taxes	16,517	5,736
Pension	1,817	1,291
Accruals and income received in advance	25,392	6,500
	-----	-----
	50,371	14,153
	=====	=====

**UNLOCK DEMOCRACY**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**For the year ended 31 MARCH 2020**

**12. RESOURCES EXPENDED**

<b>RESTRICTED FUNDS</b>	<b>Brought Forward</b>	<b>Incoming Resources</b>	<b>Resources Expended</b>	<b>Transfers</b>	<b>Carried Forward</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<u>The Brexit Civil Society Alliance</u>					
The Joseph Rowntree Charitable Trust	8,671	25,140	(26,122)	-	7,689
The Legal Education Foundation	24,412	38,672	(41,158)	-	21,926
JMG Foundation	-	25,000	(25,000)	-	-
Transition Advice Fund	-	8,500	(1,849)	-	6,651
	<u>33,083</u>	<u>97,312</u>	<u>(94,129)</u>	<u>-</u>	<u>36,266</u>
	=====	=====	=====	=====	=====

**SUMMARY OF FUNDS**

	<b>Balance at 1 April 2019</b>	<b>Incoming Resources</b>	<b>Resources Expended</b>	<b>Transfers</b>	<b>Balance at 31 March 2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Unrestricted funds	179,719	279,017	(325,219)	-	133,517
Restricted funds	33,083	97,312	(94,129)	-	36,266
Total Funds	<u>212,802</u>	<u>376,329</u>	<u>(419,348)</u>	<u>-</u>	<u>169,783</u>
	=====	=====	=====	=====	=====

	<b>Balance at 1 April 2018</b>	<b>Incoming Resources</b>	<b>Resources Expended</b>	<b>Transfers</b>	<b>Balance at 31 March 2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Unrestricted funds	149,954	310,709	(280,944)	-	179,719
Restricted funds	2,308	123,495	(92,720)	-	33,083
Total Funds	<u>152,262</u>	<u>434,204</u>	<u>(373,664)</u>	<u>-</u>	<u>212,802</u>
	=====	=====	=====	=====	=====

**Funds listed above have been received for the following purposes:**

The Repeal Bill was renamed the Brexit Civil Society Alliance after the passage of the EU (Withdrawal) Act 2018. The Alliance is a loose network of over 80 civil society organisations working to ensure that the voice of civil society was heard in the Brexit process. The Alliance called for open and accountable law making, respect for the devolved nature of the UK constitution and ensuring that rights and standards for all sectors are maintained.

All year end restricted and designated fund balances were represented by net current assets.

The transfer of funds between unrestricted and restricted funds is to support the actual cost of the grant projects and charitable activities of Unlock Democracy that are not covered by restricted income.

## UNLOCK DEMOCRACY

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 MARCH 2020

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13. TAXATION	2020	2019
	£	£
UK corporation tax on profit of the year	330	322
	=====	=====

No tax liability arises on the company's voluntary income.

Corporation tax is charged at the small companies rate of 19% (2019: 19%) on the not for profit organisation's interest receivable, against which it has been charged in the Statement of Financial Activities.

### 14. COUNCIL MEMBERS

None of the council members received any remuneration or benefits from Unlock Democracy during the current year or the previous year.

Expenses relating to travel and subsistence totalling £328 (2019: £530) were reimbursed to 3 (2019: 4) Members of the Council (the Directors of Unlock Democracy).

### 15. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

During the year management charges of £72,000 (2019: £72,000) and loan interest of £1,788 (2019: £1,739) were charged to Rodell Properties Limited, a subsidiary company.

The loan to Rodell Properties Limited is unsecured and interest is receivable annually at 2% above the base rate. At 31 March 2020, the amount owed by Rodell Properties Limited was £132,635 (2019: £64,992).