

COMPANY REGISTRATION NUMBER: 02977740  
CHARITY REGISTRATION NUMBER: 1042046

**Demos**  
**Company Limited by Guarantee**  
**Financial Statements**  
**31 December 2020**

**BURGESS HODGSON LLP**  
Chartered accountants & statutory auditor  
Camburgh House  
27 New Dover Road  
Canterbury  
Kent  
CT1 3DN

**Demos**  
**Company Limited by Guarantee**  
**Financial Statements**  
**Year ended 31 December 2020**

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# Demos

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 December 2020

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The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the group for the year ended 31 December 2020.

#### Reference and administrative details

**Registered charity name** Demos  
**Charity registration number** 1042046  
**Company registration number** 02977740  
**Principal office and registered office** 15 Whitehall  
London  
SW1A 2DD  
England

#### The trustees

M A Aziz (Appointed 3 November 2020)  
Dr A Buonfino  
I Corfield  
T McAuliffe  
Dame J Mellor (Chair)  
M W A Nixon  
J P Wise  
Baroness S J Finn (Resigned 15 February 2021)  
A W K Dawson (Appointed 7 July 2021)  
A K Mukwashi (Appointed 7 July 2021)  
D C Robb (Appointed 7 July 2021)

**Company secretary** Polly Mackenzie

**Auditor** Burgess Hodgson LLP  
Chartered accountants & statutory auditor  
Camburgh House  
27 New Dover Road  
Canterbury  
Kent  
CT1 3DN

# Demos

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2020

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#### Chair's report

The publication of this annual report is taking place as we embark on an exciting new strategy for Demos, giving us a definitive voice and a clear contribution to make to rebuilding a cohesive demos in the UK.

Since Polly Mackenzie became our Chief Executive and I joined as Chair in 2018 we have focused Demos' contribution on how to reduce division and involve the public more in research and policy development. We have successfully invested in the development of innovative tech based methods to understand, involve and innovate with the public. We have also restored the organisation to financial health - rebuilding reserves, increasing income and making sufficient surplus to invest in significant projects. As we concluded this strategy period in 2020 we invested in the powerful Renew Normal Commission, involving 50,000 people it articulated their experience of the pandemic and hopes for the future. The agenda articulated by the public will continue to influence the work we do going forward. As a Board we recognise and thank the Executive and wider staff team for their effort and commitment over this period.

Our new strategy is building on the ideas developed in the last three years. It is based on the thesis in Polly's upcoming book: to tackle the big issues we face as a country we need a new era of collaborative democracy in which problems are solved in ways that develop society's capacity to handle them. We believe policy needs to be developed by involving people in the process and design policy to build relationships between

- people (civic nationalism)
- people and politics (everyday democracy) and
- people and the economy (citizen capitalism)

Our mission is to support people to make policy in this different way:

- making the case for this approach
- showing how it can be done and
- making it easy to do with the participative tools we have developed.

Over time we hope to grow both our scale and impact.

Having rebuilt robust governance over the last three years we recently recruited four new trustees specifically to bring experience and networks that will help us deliver the new strategy. They strengthen the Board's mix of policy and governance experience and civil society networks. They also add to our cross party credentials and political networks. Our thanks are due to our nominations committee, Matt Nixon and Alessandra Buonfino, who undertook this considerable recruitment exercise.

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**The activities and performance of the Charity in 2020**

**Structure, governance and management**

**Organisational structure and quality assurance**

The principal activities of research, education and publication, to the public benefit, are reflected in the organisational structure of the charity. The overall management of Demos is the responsibility of the Chief Executive who provides leadership to the organisation and specifically leads the development of the intellectual and research agenda of the charity. Reporting to the Chief Executive are the Research Director, External Affairs Director, Innovation Director, Director of CASM and the Director of Major Projects. Research projects are managed by senior staff; a team of researchers undertakes research projects, supported by temporary assistants and interns, while the external affairs team manages the programme of events. Freelance and sub-contracted collaborations are entered into to fulfil technical and consultancy roles, as well as helping with particular aspects of research, writing and the production of publications. All projects have a budgetary review before contracts with funders are signed, and are subject to an extensive quality review process from initiation through to publishing the final report. All staff are encouraged to contribute to any appropriate aspects of research, administration, the achievement of the charitable objects and the planning processes.

**Objectives and activities**

2020 was a uniquely transformative and challenging year for Demos, as for the whole country. Despite the extraordinary circumstances of a global pandemic, the charity increased both its revenues and reserves, and most importantly achieved a step change in the quality and impact of the work we do. As the pandemic and lockdown unfolded, we were able to deploy our unique capabilities to conduct groundbreaking research with the public on the future direction of the country through our People's Commission on Life After Covid: Renew Normal. This flagship project was coupled with a wide ranging research and policy programme, ongoing technological innovation to support participative democracy, and advocacy work for public participation in policy making, almost all conducted remotely from our front rooms.

Demos, in all our work, draws on the insights and lived experience of citizens, helping to repair the broken relationship between the institutions of our government and those they govern. We work to build a society that is capable of resolving our collective problems. We believe the conditions for that consensus are:

- Everyday democracy: more power and voice for individuals in decision making
- Civic nationalism: greater connection between people, strong communities, and an inclusive sense of nationhood
- Citizen capitalism: an economy that offers opportunity and justice for everyone, as workers, consumers and investors

Our teams work to bring that vision into being by conducting research, convening events, and developing and promoting ideas for policy change in government, business, and civil society.

# Demos

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### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

#### Year ended 31 December 2020

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In 2020 our ability to deliver on our ambitions was underpinned by improved governance including:

- Ongoing strategic and business planning and regular performance monitoring
- Maintenance of 3 board subcommittees overseeing 'finance audit and risk', 'fundraising' and 'nominations and remuneration'
- Development of a governance handbook to support trustees and the executive team.
- Annual board effectiveness review and strategic away day.
- Introduction of monthly fundraising meetings, held jointly between trustees and executive team.
- Recruitment plan for trustees to bring diversity of skills, experience and background to the board.

The board effectiveness review covered foundational aspects (skills, role, relationships, strategy), board focus and controls (e.g. finance), the board in action (meetings, behaviours, practicalities) and board development (including review and learning). The review identified several improvements that had been made over the previous year. Board papers were now more accurate, detailed and easy to navigate. Financial information was both better and more consistent, mainly due to the arrival of a dedicated chief financial officer and committee preparation. The board welcomed more project and pipeline information to better understand Demos' work. Finally, the recruitment of three new trustees had diversified skills.

Finance, governance and solidity of decision making, detailed scrutiny, questions asked and challenge were all significantly enhanced as a result of better information. Improvements in financial information particularly enabled the board to better consider and advise on big decisions, e.g. responding to covid, moving offices and cash flow. The approach to strategy and planning had improved, for example taking the decision to support the Renew Normal Commission, and the addition of an advisory board. The board agreed that it could shift from getting good governance in place to focusing on strategy implementation and fundraising in 2020.

Several areas for development were identified for 2020. These included more information for trustees on the work Demos does to improve the focus on strategy implementation. Developing a systematic, co-ordinated fundraising approach by the Executive including clear asks of trustees was an important goal to improve trustee involvement in fundraising. The board also agreed to recruit more members to further diversify the trustee profile, both in skills (particularly fundraising networks and communications) and inclusion of minorities.

Additionally, over the course of the year, Demos continued to improve its financial health and sustainability with the charity running a healthy surplus. This enabled the charity to more than double our reserves. Working with the board, Demos' chief executive continued to strengthen financial oversight to maintain cost control, supplier management and forecasting capabilities, enabling the charity to confidently invest in new office space and growing the research and advocacy teams. Revenues rose by £247,220 to £1,461,357 while expenditure - as a result of staffing investment and an increase in the external costs associated with some larger projects - rose from £1,051,877 to £1,212,172. This resulted in a surplus of £249,185.

The charity started 2021 in a far healthier financial position than at any time since 2008, with reserves in line with Charity Commission guidelines and with a resilient cash position. The strategy for 2021 is to maintain those reserves; given the strength of our financial position the trustees agree we should invest the majority of future surpluses in improving the impact of our work. Our goal is for reserves to continue to increase but more slowly, with the charity running at a 0-5% surplus.

# Demos

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### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

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#### Charitable objectives

The Chair and Trustees conducted a full review of Demos' charitable activities, and concluded that in order to fully reflect the current and future work of Demos, the charity's objects should be updated.

Demos is a research and education charity which has used the insights and findings of its research to advance social and policy change.

Some of its work, while research-led, has a secondary objective of advancing other charitable purposes such as tackling social exclusion, promoting sustainable development, relieving poverty, or improving the efficiency of public services which serve a charitable purpose. The charitable objectives of Demos are as follows:

(1) To promote education for the public benefit in issues of politics, economics, technology and the digital economy, methods and practices of public deliberation, the environment and public policy.

(2) To promote for the public benefit research in any of the above fields of education and to publish the useful results of such research.

(3) To further such other purposes which are exclusively charitable under the law of England and Wales as the Trustees shall determine, with a focus on preventing social exclusion, promoting sustainable development, promoting the efficiency and effectiveness of public services, and relieving poverty.

(4) For the purposes of Article 3:

- (a) "social exclusion" means being excluded from society, or part of society, as a result of being a member of a socially and economically deprived community; and (b) "sustainable development" means development which meets the needs of the present without compromising the ability of future generations to meet their own needs.

#### Achievements and performance

##### Achievements during 2020

Leading achievements for 2020 include:

- Involving over 50,000 people in Renew Normal, our national conversation on life after the Covid-19 pandemic, as well as convening a high profile Commission to lead the work, including Martin Lewis and Nicky Morgan, Baroness Morgan of Cotes.
- Partnering with the BBC to launch our active aging programme 10 Today on BBC Radio5 Xtra as well as on BBC Sounds, to help older people stay active amid lockdowns.
- Publishing a series of papers as part of our Good Web Project, highlighting key issues facing a liberal democratic vision of the Web.
- Launching new and innovative tools to bring the public into the policymaking process, including pioneering the use of Polis with a nationally representative sample and building a tax calculator.
- Launching research projects on the future of towns, online learning, the food system, local industrial growth, gender disinformation and more.

#### Publications

Titles published during the year include:

**Cancer Costs: A ripple effect analysis of cancer's wider impact;** Sacha Hilhorst, Alan Lockey,

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examined the economic cost of cancer to people's lives.

**The Emperor Has No Clothes: A proposal to bolster the authority of Select Committees;** Lord Tyrie, a pamphlet calling for Select Committee powers to be strengthened.

**The Learning Curve: How the UK is harnessing the potential of online learning;** Ben Glover, Kitty Ussher et al, report with Google explored online learning habits and their economic and social impact.

**What's in a name? A forward view of anonymity online;** Josh Smith, first paper as part of the Good Web Project explored a renewed vision of anonymity online.

**New Frontiers: The 2019 Mozambique Elections on Social Media;** Elliot Jones et al, presented the results of a six-week study of digital communication platforms during the 2019 Mozambique election.

**The Good Credit Index 2020;** Heather Williams-Taplin, Tessa van Rens, annual Index measured access to affordable credit across the country.

**Polis and the Political Process;** Harry Carr, a report with the Open Rights Group explored the potential of the research tool Polis as a democratic innovation and explored public attitudes around data driven political campaigning.

**Turning the Tables: Making healthy choices easier for consumers;** Rose Lasko-Skinner, explored public attitudes to healthy eating and called for a new Food and Agriculture Sector Deal to build on Government's strategy to tackle obesity.

**Britain Under Lockdown;** Heather Rolfe et al, first report from Renew Normal Commission brought together contributions from almost 12,000 members of the public about their experiences from the first lockdown due the Covid pandemic.

**What Next? Priorities for Britain;** Polly Mackenzie, Renew Normal report brought together findings from a large nationally representative poll on the impact of the pandemic on people's lives, highlighting new social divisions.

**A People's Budget: How the public would raise taxes;** Ben Gloves, Charles Seaford, the most comprehensive UK study to date on public attitudes towards tax rises.

**Research 4.0: Research in the age of automation;** Ben Glover, Elliot Jones, explored what impact AI is having on the UK's research sector and its implications for the future.

**A Room of One's Own: A guide to private spaces online;** Ellen Judson, Josh Smith, Good Web Project report explored private spaces online and called for the Government, tech companies and civic society to implement a new definition of private spaces online.

**Engendering Hate: The contours of state-aligned gendered disinformation online;** Ellen Judson, report with the National Democratic Institute investigated state-aligned gendered disinformation in Poland the Philippines through an analysis of Twitter data, and outlined a new framework for how disinformation is being used online to exclude women from public life.

**Everything in Moderation: Platforms, communities and users in a healthy online environment;** Alex Krasodomski-Jones, Good Web Project report explored content moderation online and presented solutions to the challenges presented by moderation practices and systems.

**Achieving Levelling-Up: The Structures and Processes Needed;** Charles Seaford et al, report conducted with Universities of Birmingham, Cardiff, Surrey and Warwick to examine the structural and institutional barriers to tackle regional inequality.

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**The Great Cyber Surrender: How police and governments abandon cybercrime victims;** Asli Atay, James Sweetland, most comprehensive transatlantic study of its kind investigating cybercrime and its impact on consumers called for an overhaul of responses to this threat.

**Combined Choice: A modern method of democratic decision making;** Jon Nash, a paper introduced a new democratic decision making method, Combined Choice, that represents decisions as a whole.

**Patient Power: Unleashing choice over routine medications;** Kitty Ussher, Rose Lasko-Skinner, explored patients' experiences of the health system and found that patient choice in terms of medication is rarely being practiced on the ground in the NHS.

**The Future of Towns;** Ben Glover et al, report with KPMG examined what people in towns want the future of their towns to look like, highlighting the challenges of uniting people in towns behind any particular vision of the future.

#### Events

We held a range of events throughout the year, shifting to virtual events as dictated by the pandemic.

Our events included:

**A People's Budget: How the public would raise taxes:** The launch of the Demos report looking at how people would choose to raise taxes. The report was presented by Charles Seaford and on the panel was Nick Macpherson - Crossbench Peer, Liam Byrne - Labour MP and David Gauke - former Conservative Cabinet Minister.

**Online harms: what do the public think?** Demos and BT presented an online discussion on public attitudes to online harms and what this means for regulation. On the panel were the lead researchers, Alex Krasodomski-Jones and Ellen Judson, other panellists included Rt Hon Jeremy Wright MP - Former Secretary of State for DCMS and Sonia Livingstone - Professor of Social Psychology, LSE.

**Achieving Levelling-up: the Structures and Processes Needed:** Demos presented an online panel discussion on the structures and processes needed to level up local economies across the UK. This research was conducted by Demos alongside 4 universities before the government white paper on devolution in the UK. On the panel was the lead researcher from Demos, Charles Seaford and Lord O'Neil, Professor Donna Hall CBE and Mayor Jamie Driscoll.

**Twitter & Demos: data, research and information operations:** Demos and Twitter hosted a panel discussion on the importance of tech companies making data available for researchers following on from Twitter publishing a comprehensive archive of tweets and media associated with known state-backed information operations. On the panel was CASM Research Director Carl Miller alongside Katy Minshall, Head of UK Public Policy at Twitter; Alexander Martin, Technology Correspondent at Sky News; and Nahema Marc hal, Researcher at the Oxford Internet Institute

**Workshift Commission: Defining a new model of work after coronavirus:** we launched a major new programme on the future of work after Coronavirus with an online panel discussion. The work was started by leading thinker Julia Hobsbawm is the chair of the commission, and was she joined on the panel with Alan Lockey from the RSA, Dennis Owusu-Sem, Founder of Success Talks and James Suzman, Anthropologist and author of Work.

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#### **The Centre for the Analysis of Social Media**

This year's focus has been on building out the Centre's ability to influence and input into policy. As part of deliberations around the Online Harms White Paper, researchers worked closely with wider civil society and with multiple parts of government to better inform the debate around forthcoming digital regulation. In setting out a policy goal - the articulation, measurement and advocacy of a 'Good Web', CASM has begun to set the agenda here, with the language of the Good Web Project increasingly being echoed by organisations in the UK and US. Our civil society links have strengthened through sustained outreach, and we have now built a foundation for an international coalition to pursue our aims. The Good Web Project has supported some dedicated research, too, with papers launched on Anonymity, Public and Private Spaces and a forthcoming piece on the open source ecosystem. Alongside this work, our methods have become increasingly widely used within Demos, such as on the large Google project on the future of learning and in the Life after COVID commission. Technological developments in unsupervised algorithmic classification, language annotation and geographic annotation continue.

#### **Public Participation Lab**

2020 saw a step change in Demos' ability to conduct deliberative public online polling, with important externally- and self-funded projects developing our groundbreaking use of the tool Polis. This online tool allows participants to vote on a series of themed statements, as well as submitting their own for their peers to vote on. It is accessible, requiring very little commitment from participants, and has been modified by Demos' development team to allow us - we think uniquely - to send a nationally representative sample through the platform. In 2020, we worked with the Open Rights Group to produce a paper on Polis' use in the political process, and contracted a project with the Cabinet Office to poll the UK population, members of the civil service and a group of invited experts on critical issues relating to national security. As part of Renew Normal, we also ran a series of open, public discussions hosted on the Demos website to discuss how the UK could reopen equitably after COVID.

Our experience this year has solidified Polis as a key part of Demos' methodological toolkit, representing a true point of difference in our offering to funders.

#### **Action Research**

Our action research methodology brings public, private and voluntary sector stakeholders together to instigate change. Going beyond the traditional think tank model, we test out policy ideas in practice and evaluate both their impact and the implementation process, to better influence policy and develop replicable models for practice change.

Our current projects provided a vital part of our work to respond to the Covid crisis, supporting people to remain active at home, and to boost their financial resilience.

The Good Credit Project (2019-2020) demonstrated the importance of place-based solutions through our financial inclusion initiative in South Yorkshire. Inspired by our Good Credit Index, a new way of understanding credit, the project aimed to improve access to fair, affordable credit in a region which highlights many of the credit challenges faced by people nationwide. Our impact in the region includes:

- Connected people across sectors to increase reach, advising local institutions on policy and practice.
  - Boosted the impact of existing initiatives through financial inclusion awards.
  - Increased take-up of local support and services through public campaigns, resulting in one credit union issuing 37% more loans in December 2019 than in December 2018.
  - Kick-started innovation with a small-grants fund, supporting projects ranging from financial education for care leavers to debt support for vulnerable women, installing an open banking app in a credit union, and data sharing for customers to increase their credit score.
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# Demos

## Company Limited by Guarantee

### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

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- Increased knowledge through sector-specific events and info sharing.
- Encouraged social landlords, businesses and councils to support the financial health of employees, tenants and customers with tailored guidance - particularly impactful when the Covid crisis hit and many were struggling to know how to respond.

A toolkit sharing learning from the project is cited in Sheffield City Region's post-Covid economic recovery plan, and has been promoted at a national level by the Local Government Association and the New Local Government Network; the National Housing Federation, Northern Housing Consortium and Chartered Institute of Housing; the British Chambers of Commerce; Fair 4 All Finance; and the Inclusive Economy Partnership.

To help older people stay active at home during the pandemic, Demos, Sport England and Anchor Hanover teamed up with BBC Sport to offer 10Today, our easy to follow, 10-minute daily home audio exercise routines, every day 'on demand' through BBC Sounds (the BBC's podcast platform), and broadcast live on BBC Radio 5 Live Sports Extra. With people mostly confined to their own home following government advice, and the challenge of loneliness while self-isolating, there was never a more important and relevant time to encourage and inspire older people to remain active and boost their mood, mobility and wellbeing, while at home.

In 2020 we also finished the evaluation of our 10Today 6 month pilot (May-November 2019) to understand its longer term impacts. We reached approximately 20,000 older people across all channels: online, through community radio and through our peer Champions. All participants reported an increase in their level of physical activity as a result of 10Today. They also report wider positive effects including:

- improved mental wellbeing
- increased confidence
- reduced social isolation
- reduced joint and muscle pain, and reduced symptoms from physical and mental conditions like arthritis or depression
- improved strength and balance to help with everyday tasks

Following this success, we secured further funding from Sport England to produce additional video and audio content with new routines. These will launch in summer 2021 aiming to reach new audiences and via new channels to promote and broadcast 10Today.

#### Financial review

##### DEMOS CONSULTING LIMITED

The charity controls Demos Consulting Limited (company number 2667039), a company limited by guarantee. The two Directors of Demos Consulting Limited are the chief executive of Demos and one of the charity's trustees. Demos Consulting traded profitably during the year 2020 and donated over £131,000 to its parent in the financial period.

#### FINANCE REVIEW

The results of the year's activity are set out in the attached financial statements. Total incoming resources were £1,461,357: an increase of £247,220 in the previous year (£1,214,137). Prior to 2017, the majority of income streams are broadly similar year on year ((2016 — £969,023), (2015 - £1,064,870),) but the 2020 income figures show another step up in revenues, including the donation from Demos Consulting reflecting its increased activity in the financial period. Similarly, until 2017, resource expenditure remained relatively consistent (2016 - £1,103,760), (2015 - £1,064,870), (2014 - £1,182,085). Like 2019, 2020 shows a significant increase in expenditure, reflecting in the main the significant increase in staff to support new projects undertaken. Expenditure for the year was

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# Demos

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### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

#### Year ended 31 December 2020

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£1,212,172, compared with £1,051,877 in the prior year. This increase in spending coupled with revenue growth allowed Demos to end 2020 with a surplus of £249,185 and bringing overall reserves to positive £376,846.

#### **RESERVES & GOING CONCERN**

As set out in the Accounting Policies to the financial statements, the accounts have been prepared on the going concern basis, i.e. on the basis that the charity will continue in operational existence for the foreseeable future (being at least 12 months from the date of signing the financial statements). The trustees have made this judgement on the grounds that 2020 represented a good base year and that there is every sign that even allowing for the uncertainties of COVID and other factors, the charity will continue to build on this last successful year. The chief executive has taken substantial measures to manage costs and resources and deliver revenues wherever possible, working with the trustees to establish and embed improved governance and financial risk management. The trustees have set an overarching goal to improve net assets, in which the charity holds an appropriate balance of reserves, as soon as possible, recognising that this is likely to be achieved in the medium term.

Trustees have considered the impact of Covid-19 on the charity's ability to continue its work. The pandemic has affected the charity's pipeline of funded projects, but there are still a substantial number of projects in development with funders whose resource allocations will not be affected. At the time of writing, Demos' reserves have more than doubled since the end of 2019. In the event of a serious decline in revenues into 2021, the charity retains substantial flexibility on staffing, and would be able to downsize to meet its needs. Therefore the trustees consider the charity is well-placed to withstand the impact of the pandemic.

#### **RISK ASSESSMENT**

Demos continued to make significant improvements to its risk management approach in 2020. Demos instigated new project management controls including the deployment of new technology and processes that encourage Demos personnel to recognise and prepare for risk events at project outset and consider lessons learned" at their conclusion. In addition to this, Demos continued to review its operations against the operational risk register and developed numerous new internal policies relevant to risk areas, including but not limited to employee safeguarding, data protection and anti-fraud. To address financial risk, Demos overhauled numerous financial management processes and spending controls.

Demos selected new suppliers for its accountancy and legal requirements as part of strengthening risk management. Whilst rolling out these improvements, Demos' received ongoing guidance and scrutiny at a Governance level from Demos' Finance and Audit subcommittee.

#### **Future Development**

The trustees have reviewed the latest results for 2020 and anticipated income and workflow projection for 2021 and beyond. The charity continues to trade with a surplus on a month by month basis. The trustees are confident that Demos will continue to build its reserves. Trustees continue to scrutinise budgets, spending and revenue forecasts to ensure Demos can meet its liabilities as they fall due for the foreseeable future and have therefore prepared the financial statements on the going concern basis.

#### **Credit risks**

The charitable company's principal financial assets are bank balances, cash and trade debtors which represent the company's maximum exposure to credit risk in relation to financial assets.

The company's credit risk is primarily attributable to its trade debtors. Credit risk is managed by

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monitoring the aggregate amount and duration of exposure to any one funder depending upon their credit rating. The amounts presented in the balance sheet are net of allowances for doubtful debts, estimated by the charitable company's management based on prior experience and their assessment of the current economic environment.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings and / or with Government support, where applicable, assigned by international credit-rating agencies. The company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

#### **Trustees' responsibilities statement**

The trustees, who are also directors for the purposes of company law, are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the group and the incoming resources and application of resources, including the income and expenditure, for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments 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 group will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the group's transactions and disclose with reasonable accuracy at any time the financial position of the charity 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Auditor**

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the group and charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the group and charity's auditor is aware of that information.

#### **Small company provisions**

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

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### Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

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The trustees' annual report was approved on <sup>22 September 2021</sup>..... and signed on behalf of the board of trustees by:

*Julie Mellor*

Julie Mellor (Sep 22, 2021 15:25 GMT+1)

Dame J Mellor (Chair)  
Trustee

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**Independent Auditor's Report to the Members of Demos**  
**Year ended 31 December 2020**

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**Opinion**

We have audited the financial statements of Demos (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the consolidated statement of financial activities (including income and expenditure account), consolidated statement of financial position, charity statement of financial position, consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

# Demos

## Company Limited by Guarantee

### Independent Auditor's Report to the Members of Demos *(continued)*

Year ended 31 December 2020

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#### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

#### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.



# Demos

## Company Limited by Guarantee

### Independent Auditor's Report to the Members of Demos *(continued)*

Year ended 31 December 2020

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#### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we have considered; the nature of the industry, control environment and charity performance.

We also consider the results of our enquiries of management, relating to their own identification and assessment of the risks of irregularities and possible related fraud. This includes reviewing available documentation on their policies and procedures and performing tests of controls to evidence their effectiveness.

Throughout the audit testing we are considering the incentives that may exist within the organisation for fraud. Key areas include timing of recognising income around the year end and posting of unusual journals.

We ensure we have an understanding of the relevant laws and regulations and remain alert to possible non-compliance throughout the audit.

Despite proper planning and audit work in accordance with auditing standards there are inherent limitations and unavoidable risk that we may not detect some irregularities and material misstatements in the financial statements. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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# Demos

## Company Limited by Guarantee

### Independent Auditor's Report to the Members of Demos *(continued)*

Year ended 31 December 2020

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As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

# Demos

## Company Limited by Guarantee

### Independent Auditor's Report to the Members of Demos *(continued)*

Year ended 31 December 2020

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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### Use of our report

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Collyer (Senior Statutory Auditor)

For and on behalf of  
Burgess Hodgson LLP  
Chartered accountants & statutory auditor  
Camburgh House  
27 New Dover Road  
Canterbury  
Kent  
CT1 3DN

**Demos**  
**Company Limited by Guarantee**  
**Consolidated Statement of Financial Activities**  
**(including income and expenditure account)**  
**Year ended 31 December 2020**

		2020		2019
	Unrestricted funds	Restricted funds	Total funds	Total funds
Note	£	£	£	£
<b>Income and endowments</b>				
Donations and legacies	5	12,281	20,000	32,281
Charitable activities	6	760,246	487,966	1,248,212
Other trading activities	7	233,067	–	233,067
Investment income	8	780	–	780
<b>Total income</b>		<u>1,006,374</u>	<u>507,966</u>	<u>1,514,340</u>
<b>Expenditure</b>				
Expenditure on charitable activities	10,11	674,789	539,411	1,214,200
Expenditure on trading activities	9	50,955	–	50,955
Other expenditure	14	–	–	7,382
<b>Total expenditure</b>		<u>725,744</u>	<u>539,411</u>	<u>1,265,155</u>
<b>Net income and net movement in funds</b>		<u>280,630</u>	<u>(31,445)</u>	<u>249,185</u>
<b>Reconciliation of funds</b>				
Total funds brought forward		96,216	31,445	127,661
<b>Total funds carried forward</b>		<u>376,846</u>	<u>–</u>	<u>376,846</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 22 to 34 form part of these financial statements.

**Demos**  
**Company Limited by Guarantee**  
**Consolidated Statement of Financial Position**  
**Year ended 31 December 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible fixed assets	19	4,533	990
<b>Current assets</b>			
Debtors	20	374,111	220,326
Cash at bank and in hand		531,625	295,258
		<u>905,736</u>	<u>515,584</u>
<b>Creditors: amounts falling due within one year</b>	<b>21</b>	<u>533,423</u>	<u>388,913</u>
<b>Net current assets</b>		<u>372,313</u>	<u>126,671</u>
<b>Total assets less current liabilities</b>		<u>376,846</u>	<u>127,661</u>
<b>Net assets</b>		<u><u>376,846</u></u>	<u><u>127,661</u></u>
<b>Funds of the charity</b>			
Restricted funds		–	31,445
Unrestricted funds		<u>376,846</u>	<u>96,216</u>
<b>Total charity funds</b>	<b>24</b>	<u><u>376,846</u></u>	<u><u>127,661</u></u>

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

These financial statements were approved by the board of trustees and authorised for issue on 22 September 2021 ....., and are signed on behalf of the board by:

  
 Julie Mellor (Sep 22, 2021 15:25 GMT+1)

Dame J Mellor (Chair)  
 Trustee

The notes on pages 22 to 34 form part of these financial statements.

**Demos**  
**Company Limited by Guarantee**  
**Statement of Financial Position**  
**31 December 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible fixed assets	18	4,533	990
<b>Current assets</b>			
Debtors	19	488,858	280,958
Cash at bank and in hand		365,877	203,916
		<u>854,735</u>	<u>484,874</u>
<b>Creditors: amounts falling due within one year</b>	<b>20</b>	<u>482,422</u>	<u>358,203</u>
<b>Net current assets</b>		<u>372,313</u>	<u>126,671</u>
<b>Total assets less current liabilities</b>		<u>376,846</u>	<u>127,661</u>
<b>Net assets</b>		<u><u>376,846</u></u>	<u><u>127,661</u></u>
<b>Funds of the charity</b>			
Restricted funds		–	31,445
Unrestricted funds		376,846	96,216
<b>Total charity funds</b>	<b>23</b>	<u><u>376,846</u></u>	<u><u>127,661</u></u>

The net income and movement in funds for the financial period of the parent charity was £249,185.

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

These financial statements were approved by the board of trustees and authorised for issue on 22 September 2021....., and are signed on behalf of the board by:

  
Julie Mellor (Sep 22, 2021 15:25 GMT+1)

Dame J Mellor (Chair)  
Trustee

The notes on pages 22 to 34 form part of these financial statements.

**Demos**  
**Company Limited by Guarantee**  
**Consolidated Statement of Cash Flows**  
**Year ended 31 December 2020**

	<b>2020</b>	2019
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>		
Net income	249,185	162,260
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	1,293	7,390
Other interest receivable and similar income	(780)	(1,022)
Accrued expenses/(income)	(17,786)	25,316
<i>Changes in:</i>		
Trade and other debtors	(52,939)	50,468
Trade and other creditors	61,450	(71,232)
Cash generated from operations	240,423	173,180
Interest received	780	1,022
Net cash from operating activities	<u>241,203</u>	<u>174,202</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(4,836)	(1,062)
Net cash used in investing activities	<u>(4,836)</u>	<u>(1,062)</u>
<b>Net increase in cash and cash equivalents</b>	236,367	173,140
<b>Cash and cash equivalents at beginning of year</b>	295,258	122,118
<b>Cash and cash equivalents at end of year</b>	<u>531,625</u>	<u>295,258</u>

The notes on pages 22 to 34 form part of these financial statements.

# Demos

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

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#### 1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 15 Whitehall, London, SW1A 2DD, England.

#### 2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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 (FRS 102) (Charities SORP (FRS 102)) and the Companies Act 2006.

#### 3. Accounting policies

##### Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

##### Going concern

Due to the surplus made in the year ended 31 December 2020, the charity has moved to an even stronger positive net reserves position when compared to the last financial year. Due to the manner in which Demos obtains funding and is commissioned to undertake projects, it continually undertakes business development activities. Careful management of cash in the financial year has led to a significant increase in cash over the period which has enabled the charity to develop resources to acquire, manage and deliver projects. The charity enters each year in the knowledge that its anticipated income for the year is not fully secured hence it carefully monitors its pipeline of new work and the success of the bids makes for funding. Historically this business model has proven to be appropriate and hence the trustees consider there are no material uncertainties over going concern, and there is a valid expectation that the charity will continue in operational existence for the foreseeable future (at least 12 months from the date of signing the financial statements). The financial statements have been prepared on a going concern basis.

##### Disclosure exemptions

The parent charity satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosures available under FRS 102:

- (a) No cash flow statement has been presented for the charity.
- (b) Disclosures in respect of financial instruments have not been presented.

##### Consolidation

The financial statements consolidate the financial statements of Demos and all of its subsidiary undertakings.

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# Demos

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

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#### 3. Accounting policies *(continued)*

The results of subsidiaries acquired or disposed of during the period are included from or to the date that control passes.

The parent charity has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual profit and loss account.

#### **Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### **Foreign currencies**

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the statement of financial activities.

#### **Fund accounting**

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

#### **Incoming resources**

All incoming resources are included in the Statement of financial activities when the company has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

This is shown net of VAT.

Income from projects, grants, events and seminars is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. Should income invoiced exceed the income that should be recognised in the accounts for the year, then this difference will be deferred.

# Demos

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

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#### 3. Accounting policies *(continued)*

##### Resources expended

Expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities, they have been allocated on a basis consistent with the use of the resources.

Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Support costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity.

Projects	90%
Publications and subscriptions	5%
Events and seminar	5%

##### Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

##### Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

##### Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings	-	5 years
Computer equipment	-	3 years

##### Critical judgements

Revenue from contracts is assessed on an individual basis with revenue earned being ascertained based on the stage of completion of the contract which is estimates using the time spent to date compared with the total time required to undertake the contract. Estimates of the total time required to undertake the contracts are made on a regular basis and subject to a management review. These estimates may differ from the actual results to a variety of factors such as efficiency of working and accuracy of of assessment of the progress to date. See note 20 for disclosure of the amount by which billing exceeds revenue.

**Demos**  
**Company Limited by Guarantee**  
**Notes to the Financial Statements** *(continued)*  
**Year ended 31 December 2020**

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**3. Accounting policies** *(continued)*

**Impairment of fixed assets**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the charity are assigned to those units.

**Financial instruments**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

**Defined contribution plans**

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

**4. Limited by guarantee**

All directors are members of the charitable company and guarantee to contribute to the assets of the company in the event of it being wound up such amounts as may be required not exceeding £1. The number of guarantees at 31 December 2020 was 7 (2019: 7). The directors have no beneficial interest in the charitable company nor in its activities and are not remunerated. A register of business interests is maintained.

# Demos

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

#### 5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
<b>Donations</b>			
Donations	<u>12,281</u>	<u>20,000</u>	<u>32,281</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
<b>Donations</b>			
Donations	<u>2,072</u>	<u>36,000</u>	<u>38,072</u>

#### 6. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Projects	745,172	109,320	854,492
Events and seminars	4,300	–	4,300
Publications and subs	774	–	774
Grant funded research	<u>10,000</u>	<u>378,646</u>	<u>388,646</u>
	<u>760,246</u>	<u>487,966</u>	<u>1,248,212</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Projects	668,090	63,276	731,366
Events and seminars	138,625	–	138,625
Publications and subs	990	–	990
Grant funded research	<u>61,201</u>	<u>97,079</u>	<u>158,280</u>
	<u>868,906</u>	<u>160,355</u>	<u>1,029,261</u>

# Demos

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

#### 7. Analysis of grants

	2020 £	2019 £
<b>Grants from institutions</b>		
Charities and Foundations	217,585	275,107
Commercial organisations	551,954	380,906
Cultural and Educational organisations	79,496	17,915
NPDB	141,750	96,128
Government department	174,988	27,825
Non UK organisation	33,824	67,857
Other	80,726	50,000
	<u>1,280,323</u>	<u>915,738</u>
Total grants	<u>1,280,323</u>	<u>915,738</u>

#### 8. Other trading activities

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Internships Income	3,000	3,000	9,954	9,954
Other Income	230,067	230,067	180,088	180,088
	<u>233,067</u>	<u>233,067</u>	<u>190,042</u>	<u>190,042</u>

#### 9. Investment income

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Bank interest receivable	780	780	1,022	1,022
	<u>780</u>	<u>780</u>	<u>1,022</u>	<u>1,022</u>

#### 10. Costs of trading activities

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Project costs	50,955	50,955	–	–
	<u>50,955</u>	<u>50,955</u>	<u>–</u>	<u>–</u>

#### 11. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Projects	572,112	537,993	1,110,105
Events and seminars	509	–	509
Publications and subscriptions	–	–	–
Support costs	102,168	1,418	103,586
	<u>674,789</u>	<u>539,411</u>	<u>1,214,200</u>

## Demos

### Company Limited by Guarantee

#### Notes to the Financial Statements *(continued)*

#### Year ended 31 December 2020

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Projects	649,404	174,437	823,841
Events and seminars	77,329	600	77,929
Publications and subscriptions	450	–	450
Support costs	186,535	–	186,535
	<u>913,718</u>	<u>175,037</u>	<u>1,088,755</u>

#### 12. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2020 £	Total fund 2019 £
Projects	1,110,105	71,736	1,181,841	993,485
Events and seminars	509	–	509	77,929
Publications and subscriptions	–	–	–	450
Governance costs	–	31,850	31,850	16,891
	<u>1,110,614</u>	<u>103,586</u>	<u>1,214,200</u>	<u>1,088,755</u>

#### 13. Analysis of support costs

	Projects £	Events & Seminars £	Publications & Subscriptions £	Total 2020 £	Total 2019 £
Premises	634	35	35	704	103,837
General office	37,827	2,101	2,101	42,029	8,566
Support costs - Other costs	24,938	1,386	1,386	27,710	57,042
Support costs - Depreciation	1,163	65	65	1,293	199
	<u>64,562</u>	<u>3,587</u>	<u>3,587</u>	<u>71,736</u>	<u>169,644</u>

#### 14. Other expenditure

	Restricted Funds £	Total Funds 2020 £	Restricted Funds £	Total Funds 2019 £
Irrecoverable VAT	–	–	7,382	7,382
	<u>–</u>	<u>–</u>	<u>7,382</u>	<u>7,382</u>

#### 15. Net income

Net income is stated after charging/(crediting):

	2020 £	2019 £
Depreciation of tangible fixed assets	1,293	7,390
Foreign exchange differences	1,355	(9,697)
	<u>2,648</u>	<u>(2,307)</u>

**Demos**  
**Company Limited by Guarantee**  
**Notes to the Financial Statements** *(continued)*  
**Year ended 31 December 2020**

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**16. Auditors remuneration**

	<b>2020</b>	2019
	<b>£</b>	£
Fees payable for the audit of the financial statements	5,000	4,000
	<u>5,000</u>	<u>4,000</u>

**17. Staff costs**

The total staff costs and employee benefits for the reporting period are analysed as follows:

	<b>2020</b>	2019
	<b>£</b>	£
Wages and salaries	646,917	537,323
Social security costs	60,300	46,695
Employer contributions to pension plans	35,277	23,358
	<u>742,494</u>	<u>607,376</u>

Total remuneration paid to key management personnel, including benefits such as employer pension contributions, amounted to £106,000 (2019: £90,865).

The average head count of employees during the year was 19 (2019: 19). The average number of full-time equivalent employees during the year is analysed as follows:

	<b>2020</b>	2019
	<b>No.</b>	No.
Projects	15	14
External affairs	3	3
Support costs	1	2
	<u>19</u>	<u>19</u>

The number of employees whose remuneration for the year fell within the following bands, were:

	<b>2020</b>	2019
	<b>No.</b>	No.
£90,000 to £99,999	1	1
	<u>1</u>	<u>1</u>

**18. Trustee remuneration and expenses**

During the year, no Trustees received any remuneration or benefits in kind (2019: £nil). During the year, no Trustees received reimbursement of expenses (2019: £nil).

# Demos

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 December 2020

#### 19. Tangible fixed assets

Group and company	Fixtures and fittings £	Computer Equipment £	Total £
<b>Cost</b>			
At 1 January 2020	435	4,807	5,242
Additions	2,870	1,966	4,836
<b>At 31 December 2020</b>	<u>3,305</u>	<u>6,773</u>	<u>10,078</u>
<b>Depreciation</b>			
At 1 January 2020	256	3,996	4,252
Charge for the year	590	703	1,293
<b>At 31 December 2020</b>	<u>846</u>	<u>4,699</u>	<u>5,545</u>
<b>Carrying amount</b>			
<b>At 31 December 2020</b>	<u>2,459</u>	<u>2,074</u>	<u>4,533</u>
At 31 December 2019	<u>179</u>	<u>811</u>	<u>990</u>

#### 20. Debtors

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Trade debtors	182,167	151,442	166,076	155,985
Prepayments and accrued income	156,202	65,038	156,202	65,038
Other debtors	35,742	3,846	166,580	59,935
	<u>374,111</u>	<u>220,326</u>	<u>488,858</u>	<u>280,958</u>

#### 21. Creditors: amounts falling due within one year

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Trade creditors	84,656	46,721	84,613	46,678
Accruals and deferred income	260,055	207,360	260,055	207,360
Social security and other taxes	97,036	76,178	91,028	72,578
Other creditors	91,676	58,654	46,726	31,587
	<u>533,423</u>	<u>388,913</u>	<u>482,422</u>	<u>358,203</u>

#### 22. Deferred income

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
At 1 January 2020	152,253	135,380	152,253	135,380
Amount released to income	(340,115)	(135,380)	(340,115)	(135,380)
Amount deferred in year	385,353	152,253	368,203	152,253
<b>At 31 December 2020</b>	<u>197,491</u>	<u>152,253</u>	<u>180,341</u>	<u>152,253</u>



# Demos

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 December 2020

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#### 23. Pensions and other post retirement benefits

##### Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £35,277 (2019: £23,358).

#### 24. Analysis of charitable funds

##### Unrestricted funds

##### Group and company

	At 1 January 2020 £	Income £	Expenditure £	At 31 December 2020 £
General funds	<u>96,216</u>	<u>1,050,121</u>	<u>(769,491)</u>	<u>376,846</u>

	At 1 January 2019 £	Income £	Expenditure £	At 31 December 2019 £
General funds	<u>(52,108)</u>	<u>1,197,815</u>	<u>(1,049,458)</u>	<u>96,216</u>

##### Company

	At 1 January 2020 £	Income £	Expenditure £	At 31 December 2020 £
General funds	<u>96,216</u>	<u>953,391</u>	<u>(672,761)</u>	<u>376,846</u>

	At 1 January 2019 £	Income £	Expenditure £	At 31 December 2019 £
General funds	<u>(52,108)</u>	<u>1,017,782</u>	<u>(869,458)</u>	<u>96,216</u>

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## Demos

### Company Limited by Guarantee

#### Notes to the Financial Statements *(continued)*

#### Year ended 31 December 2020

#### Restricted funds

#### Group and company

The subsidiaries have no restricted funds.

	At 1 January 2020 £	Income £	Expenditure £	At 31 December 2020 £
Digital Power and Trust Online	–	–	–	–
Character and social media	–	–	–	–
Active Radio	–	66,397	(66,397)	–
The Wealth Within	–	–	–	–
Pathways from Poverty	–	–	–	–
Gendered Disinformation	3,500	33,824	(37,324)	–
GCI Interventions	23,893	92,222	(116,115)	–
Power	–	7,464	(7,464)	–
Nuffield Bid	4,052	–	(4,052)	–
LIPSIT	–	52,846	(52,846)	–
Good Credit Index Year 2	–	30,000	(30,000)	–
Standard Life Tax	–	109,460	(109,460)	–
Investment App	–	20,000	(20,000)	–
Catholic Church - Death and Dying	–	22,650	(22,650)	–
Open Rights Group - Deliberation	–	4,000	(4,000)	–
10Today Award Extension	–	52,001	(52,001)	–
10Today Phase 2	–	17,102	(17,102)	–
	<u>31,445</u>	<u>507,966</u>	<u>(539,411)</u>	<u>–</u>

	At 1 January 2019 £	Income £	Expenditure £	At 31 December 2019 £
Digital Power and Trust Online	1,200	–	(1,200)	–
Character and social media	3,036	–	(3,036)	–
Active Radio	(292)	80,840	(80,548)	–
The Wealth Within	9,750	–	(9,750)	–
Pathways from Poverty	3,815	21,000	(24,815)	–
Gendered Disinformation	–	3,500	–	3,500
GCI Interventions	–	57,779	(33,886)	23,893
Power	–	28,536	(28,536)	–
Nuffield Bid	–	4,700	(648)	4,052
	<u>17,509</u>	<u>196,355</u>	<u>(182,419)</u>	<u>31,445</u>

# Demos

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

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#### 24. Analysis of charitable funds *(continued)*

The following funders provided funding for these restricted projects:

The Jubilee Centre for Character and Virtues (University of Birmingham) - Character and Social  
Media Sport England - Active Radio (Delivery)  
NDI - Gendered Disinformation  
New Day - GCI Interventions  
Charles Seaford - Power  
Nuffield - Nuffield Bid  
University of Surrey - LIPSIT  
New Day - Good Credit Index Year 2  
Standard Life - Standard Life Tax  
Charles Seaford - Investment App  
St. Marys - Catholic Church - Death and Dying  
Open Rights - Open Rights Group - Deliberation  
Sport England - 10Today Award Extension  
Sport England - 10Today Phase 2

#### 25. Analysis of net assets between funds

##### Group

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Tangible fixed assets	4,533	–	4,533
Current assets	905,736	–	905,736
Creditors less than 1 year	(533,423)	–	(533,423)
<b>Net assets</b>	<u>376,846</u>	<u>–</u>	<u>376,846</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Tangible fixed assets	990	–	990
Current assets	484,139	31,445	515,584
Creditors less than 1 year	(388,913)	–	(388,913)
<b>Net assets</b>	<u>96,216</u>	<u>31,445</u>	<u>127,661</u>

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## Demos

### Company Limited by Guarantee

#### Notes to the Detailed Statement of Financial Activities

Year ended 31 December 2020

#### 25. Analysis of net assets between funds *(continued)*

##### Company

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Tangible fixed assets	4,533	–	4,533
Current assets	854,735	–	854,735
Creditors less than 1 year	(482,422)	–	(482,422)
<b>Net assets</b>	<u>376,846</u>	<u>–</u>	<u>376,846</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Tangible fixed assets	990	–	990
Current assets	453,429	31,445	484,874
Creditors less than 1 year	(358,203)	–	(358,203)
<b>Net assets</b>	<u>96,216</u>	<u>31,445</u>	<u>127,661</u>

#### 26. Analysis of changes in net debt

##### Group

	At 1 Jan 2020 £	Cash flows £	At 31 Dec 2020 £
Cash at bank and in hand	<u>295,258</u>	<u>236,367</u>	<u>531,625</u>

##### Company

	At 1 Jan 2020 £	Cash flows £	At 31 Dec 2020 £
Cash at bank and in hand	<u>203,916</u>	<u>161,961</u>	<u>365,877</u>

#### 27. Operating lease commitments

##### Group and company

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2020 £	2019 £
Not later than 1 year	74,437	4,200
Later than 1 year and not later than 5 years	107,947	–
	<u>182,384</u>	<u>4,200</u>

#### 28. Related parties

##### Group and company

At the balance sheet date £nil (2019: £21,800) was owed to Trustees in respect to loans received.






# Demos Group Accounts Final - 31.12.20 UPDATED 17.9.21

Final Audit Report

2021-09-22

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