

COMPANY REGISTRATION NUMBER: 02977740  
CHARITY REGISTRATION NUMBER: 1042046

**Demos**  
**Company Limited by Guarantee**  
**Financial Statements**  
**31 December 2023**

# DEMOS



**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 2023**

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# Demos

## Company Limited by Guarantee

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

Year ended 31 December 2023

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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 charity for the year ended 31 December 2023.

#### 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  
I Corfield (Resigned 1 November 2023)  
T McAuliffe  
Dame J Mellor (Chair)  
J P Wise (Resigned 1 November 2023)  
M A Boo  
A W K Dawson  
D C Robb  
H B Begum (Appointed 1 November 2023)

**Company secretary** P E Curtis

**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 2023

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The trustees present their report and the financial statements for the year ending 31 December 2023.

Reference and administrative information set out on page one forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards

#### Chair's report

Demos experienced a year of growth in 2023 expanding the scale, range and impact of projects over the course of the year, going from a team of 14 to 20, taking the number of party conference events from eight in 2022 to 16 in 2023 and culminating in a merger with the charity Engage Britain.

Demos' growth in scale was matched in growth in impact. Martha's Rule was the policy campaign of the year, embedded in Demos' public service reform agenda and now being rolled out to every hospital in the country. On prevention, policy colleagues from other think tanks are asking us to lead the conversation on how to make the Preventative State a reality. On AI and election integrity, we have campaigned to preserve electoral integrity. On inheritance taxes, we have contributed to shifting the debate about what might be politically acceptable. We are doing ever more purposeful work, and driving up standards and delivering on our ambition to have true impact in the world.

The team set out to diversify its revenues over the course of the year, launching two funded events networks, securing projects to enable partners to engage the public in participatory policy making, and launching a major programme of work on public service reform in the Future Public Services taskforce. These activities contributed to the growing financial health of the organisation over the course of the year, and were enabled by a strong new leadership team and additional research leads across the organisation.

The merger with Engage Britain was the result of a board level discussion to explore options to expand our capacity in participatory and deliberative work in order to progress our core mission of putting people at the heart of policy-making. It brought significant new funding to amplify our participatory work and in 2024 we launched the Citizens' White Paper, setting out how, when and why a government might partner with the public on policy-making.

At the time of producing this report, three-quarters of the way through 2024, we have a renewed political landscape following the general election. This has dramatically shifted the political climate we are operating in, offering new opportunities to advance our policy agenda around participatory policy making, public service reform, the opportunities presented by AI and the growth agenda, in particular. One of our core purposes for participatory policy-making is to strengthen citizenry and overcome division. In these polarised times this work could not be more urgent and our cross-party approach more critical.

I am confident that we can continue to deliver against our charitable aims to promote education and research for the public benefit of politics, economics and public policy, and to grow our impact.

# Demos

## Company Limited by Guarantee

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

Year ended 31 December 2023

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#### 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 and this was enhanced in 2023 with a new management structure designed to support our accelerated growth and impact.

The overall management of Demos is the responsibility of the Chief Executive who provides leadership to the organisation, its strategic focus and the public positioning of the charity. She is supported by four directors - the Director of Research and Participation, the Director for Policy and Impact, the Director for Participatory Programming and the Director for Digital Policy, as well as the Chief Financial Officer. Together they form the executive team.

The increased workload and ambition of the team meant that in the course of the year we pivoted our hiring strategy to employ more researchers at a project manager level to deliver against the increasing workload. We established a new management team, made up of the wider managers across the organisation. They are principally responsible for managing the day-to-day operations of the team, with the executive team focused on strategy and organisational development.

Research projects are line-managed by senior staff; a team of researchers undertakes research and policy projects, while the Impact Team manages the programme of events, influencing and publicity. The CASM team at Demos is responsible for the work on creating a healthier digital ecosystem. The whole team is supported by a Head of Operations, Finance Manager and the CFO. 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. The CEO quality assures all external outputs.

##### Activities and review

The executive team and board are committed to pursuing the existing strategy to help build a more collaborative democracy in the United Kingdom by improving the way policy is made specifically by helping politicians to partner with the public, as well as wider experts, on policy-making. We work to put people at the heart of policy-making through a range of participatory methods that allow politicians and citizens to partner together to tackle our collective problems.

The course of 2023 was defined by strong growth in scale, range and number of projects and activities across the organisation. Having established our four pillars - Relational Public Services, Inclusive Economy, Healthier Digital Ecosystem and More Trusted Politics - in 2022, we focused on embedding these pillars by developing projects around them and fulfilling our ambition to diversify our funding model. This saw us move from being supported to do projects and party conference events; to a model with five revenue streams: projects, party conferences plus funded event networks, participatory services and larger scale programmatic support.

We ended 2023 with two funded networks, two purely participatory projects funded and a new programme in our Future Public Services Taskforce. The latter was the result of partnerships born out of a funded network, the Public Services 2030 Network, providing a new pipeline model to deepen relationships with supporters of our work.

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# Demos

## Company Limited by Guarantee

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

Year ended 31 December 2023

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Our influencing work stepped up a gear, we strengthened our organisational cross-party relationships and grew our work with the opposition in preparation for the 2024 election. We have accelerated our media work with extensive coverage of our reports, particularly in the second half of the year with a high quantity of publications. Demos put on one of the busiest party conference schedules in our recent history. Overall, we had over 400 attendees for our 16 events across all three conferences with 14 partner organisations. We had 20 Ministers, Shadow Ministers, MPs and Parliamentary Candidates across our events, including one panel exclusively for women Parliamentary Candidates. We also had an exclusive event with the Leader of the Liberal Democrats, Sir Ed Davey, the only scheduled discussion event with a leader of one of the country's major political parties at this Conference season.

Engage Britain merged to become part of Demos on 1 November 2023, with two team members transferring over at that date. The merger has had a marked impact on our positioning within the sector. It was welcomed by partners in the charity sector as a model for the type of charity rationalisation that is much needed, it sets us up to be a leading voice in the ecosystem of partner organisations pursuing participatory policy-making in 2024, and has resulted in new approaches for funded partnerships to do participatory work already.

The merger introduced two new roles to Demos: the Director of Participatory Programmes, leading our major participatory work; and a Relationships Manager, responsible for engaging participants in these processes and building our networks across civil society. They have settled into the team very well, have brought new expertise and have helped establish fresh practices across the team.

We are extremely grateful to the legacy team at Engage Britain and those who have joined Demos for all their work to develop the participatory and deliberative practice that is now part of the Demos way of working. We would also like to thank the Hands Family Trust, which played a key role in supporting Engage Britain throughout its existence and prompted a renewed focus on participation and deliberation in policy-making.

#### **Governance and finance**

The board and executive enjoyed a strong working relationship in 2023, with support and challenge helping to strengthen the organisation's strategic direction.

The board met on a quarterly basis with bilaterals between the Chief Executive and chair every month. We maintained three subcommittees overseeing 'finance audit and risk', 'nominations' and 'remuneration'.

We started the year with considerable uncertainty around fundraising following the 2022 leadership transition and the political turmoil of the short lived Truss government that made the fundraising environment challenging in the second half of the preceding year. Risks were mitigated, costs well managed and the Finance and Risk committee was extremely supportive through this, with monthly meetings to ensure we all were across any emerging issues and responding in a timely way. At the beginning of the year the board sanctioned the use of £200,000 in reserves to support this transition and invest in the executive level of the organisation. We ended the year not only not using these reserves, but adding to reserves by £48,421 showing the strength of the performance in the second part of the year and justifying the investment in the senior team. By the end of the year the Finance and Audit Committee was satisfied that the organisation was strong and stable, and reduced its meetings to three monthly intervals in line with board meetings.

# Demos

## Company Limited by Guarantee

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

#### Year ended 31 December 2023

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There was some change in the board membership. Ian Corfield stepped down after exemplary terms as trustee. Halima Begum, Chief Executive of Oxfam, joined the board. In 2024 we are currently recruiting for two new trustees. All policies were reviewed in line with best practices. A board effectiveness review was carried out in September as a result of which it was agreed that the agenda would move from finance and risk to a more strategic focus as risks reduce; trustees would be equipped with briefings to enable them to be better ambassadors; and that the trustees and exec would hold at least two social events a year to strengthen relationships and get to know one another more.

The board was focused on managing risks over the course of the year, but were pleased to see the strategic focus increase throughout this period with the impactful outcomes of this. The result at the end of the year is more impact, increased reserves, a stronger strategy and a renewed team set up to deliver it.

#### **Charitable objectives**

Demos' charitable objectives remain unchanged. It 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

At the time of writing the CEO and CFO are working on revisions to Demos' charitable objectives to consider its membership structure. This will be presented to the board at the September 2024 board meeting.

#### **Achievements and performance**

##### **Achievements during 2023**

##### **More Trusted Democracy**

In 2023 we focused on building capacity to deliver more work in the Trusted Democracy pillar, with the addition of Lucy Bush as director of research and participation, joining us from Britain Thinks where she led the deliberative and place based work; then completing the merger with Engage Britain which brought fresh talent and funding to accelerate our work in this area. The merger was partly a response

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# Demos

## Company Limited by Guarantee

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

#### Year ended 31 December 2023

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to the challenge we have traditionally faced in funding work around democratic reform and by the end of 2024 both the hiring and merger strategy was reaping rewards.

We finished 2023 having secured three participatory projects for launch in 2024, undertaking deliberative projects to design a future Vision for London (with City Bridges Foundation), a future Vision for Grimsby (working with Our Future and the council) and undertaking a major project investigating the public's appetite for protest (with Liberty). All three report in 2024. We also secured funding from ABRDN Financial Fairness Foundation for deliberative work around our major inheritance tax project. We collaborated with Nesta on a paper on power and place in localities and published a major piece of work conducted by the Engage Britain team on public participation around attitudes to the NHS, "I love the NHS but...".

In addition the end of 2023 saw the design of our landmark project the Citizens' White Paper, setting out why, when and how the new government should partner with the public on policy making. On publication in July 2024 this led to widespread news coverage, and in-depth comment coverage in the FT and Guardian. It triggered a briefing with key ministers, over 50 civil servants, and an advocacy plan across the new government.

The activities undertaken in 2023 have put us in a place to pursue our objectives of a more collaborative democracy through our regular projects, through specific projects designed to enable other organisations to partner with the public and through major advocacy work to convince the government of the merits of participation to improve policy making and increase trust in politics. Sir Keir Starmer has described the fight for trust as "the battle of our political era". The activities of 2023 put Demos in the best position to make a major contribution to this work.

#### **Relational Public Services**

2023 saw an increase in Demos' work on public service reform, supported by Ben Glover moving to a new role in January 2023 as Head of Social Policy to focus on this pillar.

We launched the *Public Services 2030 Network*, a community spanning government, industry and civil society, collaborating to build a better way of delivering public services. Through the Network, we hosted nine public events and two private discussions in 2023, hosting ministers, shadow ministers and leading experts in public service reform.

In April 2023 we published *The Preventative State*, supported by Local Trust, arguing for a new shift to preventative policy. The essay received a high degree of attention in the media and policy circles, being referenced in subsequent work by IPPR, the Institute for Government, the King's Fund and the Joseph Rowntree Foundation.

Building on this, in October 2023 we published *Revenue, capital, prevention: A new public spending framework for the future*, in partnership with the Health Foundation. We proposed a new spending category to classify and ring fence preventative investment, injecting long-termism into public spending.

In September 2023 we published a paper in support of Martha's Rule, a new NHS patient safety policy that gives patients and their families more say in their care, creating more relational ways of working. After sustained coverage on the BBC Radio 4's Today Programme, the Health Secretary Stephen Barclay and the shadow Wes Streeting both backed the proposal. In February 2024, NHS England announced that it would roll out Martha's Rule in hospitals across England from April.

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

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We finished 2023 with the launch of the Future Public Services Taskforce, a major cross-party initiative to produce a new, public service reform strategy for central government. The Taskforce is advised by a number of senior leaders including Patricia Hewitt (former Health Secretary), Jonathan Slater, (former Permanent Secretary; and Chris Naylor (former Chief Executive of Barking and Dagenham Council). The Taskforce will deliver its final recommendations in 2024.

#### **Inclusive Economy**

The highlight of the year was our flagship programme on understanding inheritance tax supported by the Aberdeen Financial Fairness Trust. The research garnered repeated national media coverage and changed perceptions of the tax amongst the media and policy makers. Through deeper engagement with the public, we were able to understand the nuances of public attitudes towards inheritance tax, showing policy makers there is a space for comprehensive reform of the tax. This is a model for how collaboration with the public can open up the possibilities for reform.

Demos also achieved success through our work on industrial infrastructure, with Labour adopting some of the recommendations in its manifesto, including reforming the national architecture for infrastructure projects through the creation of a new national delivery agency. Aligned to this work were projects on housing and water infrastructure, both of which received engagement from policy makers.

We continued to build on our policy expertise in employment support, looking at the attitudes of older workers in getting back into work and the deployment of employment services at a local level. This led to further work on employment support in 2024 and further engagement with policy makers.

Towards the end of the year Demos published a major report on corporate governance reform, calling for changes to directors' duties to put social and environmental purpose at the core of business decision making. This report exemplifies the spirit of the 'Inclusive Economy', which calls on all parts of our economy to think about the wider social interests.

#### **Healthier Internet – CASM**

In 2023 the CASM team at Demos investigated Drivers of Digital Discord in the information environment, embarked on a project to investigate how personal data is used online and looked at the future of the role of universities in the age of AI. We launched the Good Web Network, a funded event series (with support from Good Things Foundation and Google), exploring the future of the internet and hosting leading experts along with the Digital Minister Paul Scully and his shadow Alex Davies Jones. We took the network to party conferences and parliament to engage members of the Lords around the Online Safety Act. We launched a pilot study in partnership with JRF looking at how people living in poverty talk about their experiences online, which was then turned into an year-long programme in 2024.

Over the course of the year we increasingly pivoted to think about the impact of AI and in the run up to the international AI Safety conference in November, hosted a roundtable on the future of Open Source and AI, resulting in a publication that helped set the agenda ahead of the conference. It was attended by senior DSIT officials and Ian Hogarth of the AI Safety Institute. We ended the year launching a cross sector collaboration to persuade the political parties to sign up to a compact on the use of AI at the election, making some progress in 2024 but being foxed by the early election.

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

#### Year ended 31 December 2023

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Ellen Judson steered CASM through this year of transition embodying the heart and soul of both CASM and the wider Demos team. She left in the Autumn to pursue an investigative role on climate disinformation at Global Witness. She remains as a senior fellow and has worked on subsequent projects with us in 2024.

We recruited Dr. Elizabeth Seger to join as Director of CASM at the end of 2023. She was previously a policy researcher at the Centre for the Governance of AI in Oxford where she led projects on open-source model sharing strategy and the democratisation of AI. Her work is internationally recognized, helping set the stage for international debates on AI policy including with the OECD working group on AI and around the UK's AI Safety Summit and the Biden Administration's Executive Order on Safe and Trustworthy AI. Along with the wider CASM team she will lead our digital policy-making through this next technological era.

As we entered 2024 with the four pillars established across the teams, the strategy has evolved with everything we had achieved and learned. We revisited the ideas that shaped the four areas, resulting in their repositioning and renaming them to Public Service Reform, Citizen Economy, Trusted Technology and Collaborative Democracy.

#### **Publications**

We published 37 reports in 2023 compared with 22 in 2022. Titles published during the year include:

**SMOKE WITHOUT FIRE: A NEW VISION FOR VAPING POLICY IN THE UK:** Alice Dawson looked at the change required for the UK government to reach its 2030 smoke-free goal, reduce health inequalities and diminish the impact smoking has on people's lives.

**TEED UP FOR SUCCESS? WHAT THE TEES VALLEY TELLS US ABOUT LEVELLING UP:** Kate Harrison and Courtney Stephenson looked beyond the rhetoric around levelling up to find out how the agenda was really doing, by talking to the people it was designed to help.

**A NEW AGE OF INHERITANCE: WHAT DOES IT MEAN FOR THE UK?** Dan Goss and Ben Glover set out the key facts and figures relating to the UK's new age of inheritance, drawing on existing research and some new analysis of public datasets, providing a fresh perspective on what the new age of inheritance will look like.

**NET ZERO TO LEVEL UP: SECURING A JUST TRANSITION FOR THE BLACK COUNTRY 2023-2032:** Andrew Phillips and Charles Seaford's report looked at how the West Midlands Combined Authority should use some of the powers afforded to them by the 'trailblazer deeper devolution deal' to achieve a just transition in the Black Country.

**ACCEPT ALL: UNACCEPTABLE? TRACKING THE EXPERIENCE OF TRYING TO RECLAIM PERSONAL DATA - AND WHAT GOVERNMENT, BUSINESSES AND CITIZENS CAN LEARN FROM IT:** Ellen Judson and Victoria Baines looked at how our data footprints are being created and exploited online.

**THE COSTS OF ATOPIC DERMATITIS:** Alice Dawson's report investigated the costs of atopic dermatitis, setting out recommendations for how to improve patient care in order to reduce those costs.

## Demos

### Company Limited by Guarantee

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

Year ended 31 December 2023

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**THE PREVENTATIVE STATE: REBUILDING OUR LOCAL, SOCIAL AND CIVIC FOUNDATIONS:** Polly Curtis, Andrew O'Brien and Ben Glover argued that we need a state which is more expansive in how it sees the challenge of reforming public services.

**THE EMPLOYABILITY BADGE: SKILLS FOR LIFE, WORK AND A STRONGER SOCIETY:** Kate Harrison and Alice Dawson looked at the importance of equipping young people with the skills that employers need to tackle youth unemployment, identifying a 'double skills gap'.

**REWIRING THE WEB: THE FUTURE OF PERSONAL DATA:** Jon Nash and Charlie Smith argued that the widespread use of personal information online represents a fundamental flaw in our digital infrastructure that enables staggeringly high levels of fraud, undermines our right to privacy and limits competition.

**THE INHERITANCE TAX PUZZLE: CHALLENGING ASSUMPTIONS ABOUT PUBLIC ATTITUDES TO INHERITANCE:** Dan Goss and Ben Glover explored the complexities around public attitudes towards taxing inheritances.

**OPPORTUNITIES TO BETTER PREVENT HOMELESSNESS IN ENGLAND: A DEMOS-CENTRE FOR HOMELESSNESS IMPACT DISCUSSION PAPER:** Alice Dawson and Ben Glover drew on the available evidence to highlight some potential opportunities to enhance prevention of homelessness and where future policy and practice could focus.

**LOST IDEALS: CONSERVATIVES IN THE NEW AGE OF INHERITANCE:** Andrew O'Brien looked at the philosophy of conservatism and how those values have been applied over time by the Conservative Party on the issue of inheritance, and what these ideas mean for the future.

**A TAPESTRY OF SERVICES: EMPLOYMENT, SKILLS AND CAREERS SUPPORT IN EAST BIRMINGHAM AND NORTH SOLIHULL:** Courtney Stephenson and Andrew Phillips looked at the existing employment, skills and careers services in East Birmingham and North Solihull, and the work that needs to be done to empower local areas to better join these services up.

**CREDIT IN THE COST OF LIVING CRISIS: THE GOOD CREDIT INDEX 2023:** Courtney Stephenson and Stephen Walcott looked at the drastically reduced purchasing power of households, as well as the value of good credit and the damage that poor access to credit, or access to irresponsible credit, can do.

**HOME IMPROVEMENT: A TRIPLE DIVIDEND - PART ONE: BOOSTING THE BRITISH ECONOMY:** Andrew O'Brien explored the significant economic opportunity that lies in shaping a home improvement policy that provides safe, energy efficient homes for a growing and ageing population.

**MARTHA'S RULE: A NEW POLICY TO AMPLIFY PATIENT VOICE AND IMPROVE SAFETY IN HOSPITALS:** Polly Curtis proposed a policy change in the NHS to redress the balance of power between medics and patients.

## Demos

### Company Limited by Guarantee

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

Year ended 31 December 2023

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THE TRIPLE DIVIDEND OF HOME IMPROVEMENT - PART TWO: OVERCOMING THE HEALTH AND CARE POLYCRISIS: Andrew O'Brien looked at what the health and care benefits of a comprehensive package of home improvement could be.

SOWING RESILIENCE: UNLOCKING THE POTENTIAL FOR REGENERATIVE FARMING: Dan Goss and Lucy Bush looked at the role regenerative farming can play in driving a new green transformation in agriculture.

THE PLATINUM POUND: BOOSTING EMPLOYMENT AMONG OLDER WORKERS: Andrew Phillips and Andrew O'Brien proposed a number of policy solutions to support older people who are out of work but who want a job.

WINNING THE ARGUMENT: HOW TO UNLOCK PUBLIC SUPPORT FOR INHERITANCE TAXATION: Dan Goss and Ben Glover explored the disagreements and concerns that exist about inheritance taxation, drawing on analysis to present the arguments, framings and reforms that can be put forward to win the public over on taxing inheritances.

HOW PEOPLE TALK ABOUT POVERTY AND HARDSHIP ONLINE: A SOCIAL MEDIA LISTENING EXPLORATION: Ellen Judson, Courtney Stephenson, Sophia Knight and Oliver Marsh explored how people are talking about their experiences of financial hardship in online forums.

COMMUNITY COVENANTS: A PROPOSAL FOR REINVENTING PUBLIC SERVICES WITH CONSERVATIVE PRINCIPLES: Andrew O'Brien argued that the Conservatives need to be clear-headed about their thinking on public services, and that they need a new covenant on them at a local and national level.

REVENUE, CAPITAL, PREVENTION: A NEW PUBLIC SPENDING FRAMEWORK FOR THE FUTURE: Polly Curtis and Andrew O'Brien proposed a new approach to government spending, one which starts by measuring prevention and having a transparent process of budgeting and accounting for prevention spending.

NOTHING TO FEAR: THE LABOUR PARTY AND THE NEW AGE OF INHERITANCE: Ben Glover looked at inheritance taxation through the lens of Labour's core values over time, considering the future of the tax in the context of a changing political and economic climate.

ADDRESSING THE UK WATER DILEMMA: PUBLIC ATTITUDES ON THE UK'S WATER RESILIENCE: Andrew O'Brien explored the need for policy makers, the water industry, business and the public to work together to avoid a water crisis in the years ahead.

OPEN SOURCING THE AI REVOLUTION: FRAMING THE DEBATE ON OPEN SOURCE, ARTIFICIAL INTELLIGENCE AND REGULATION: Polly Curtis and James Ball looked at what to do about open source, a central challenge in the regulation of AI.

THE TRIPLE DIVIDEND OF HOME IMPROVEMENT PART THREE: GETTING BRITAIN BACK ON TRACK TO DELIVER NET ZERO: Andrew O'Brien looked at how the right combination of public,

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## Demos

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

#### Year ended 31 December 2023

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private and social sector action can create new jobs and help us meet our commitments to the environment.

**THE AI GENERATION: HOW UNIVERSITIES CAN PREPARE STUDENTS FOR THE CHANGING WORLD:** Author Richard Brown set out a number of recommendations that universities can adopt to ensure graduates are well-equipped to enter the workforce.

**"I LOVE THE NHS, BUT...": PREVENTING NEEDLESS HARMS CAUSED BY POOR COMMUNICATIONS IN THE NHS:** Patti Garcia Gomez and Miriam Levin made the case for the urgent improvements in NHS communication.

**THE PURPOSE DIVIDEND:** Andrew O'Brien looked at the economic boost that could be unlocked through a nationwide shift to purpose-led business.

**RECOVERY THROUGH REFORM: LAUNCH PAPER OF THE FUTURE PUBLIC SERVICES TASKFORCE:** Ben Glover argued that additional funding alone will not deliver a public services recovery, and that reform will also be necessary.

**FLOWING FORWARD: SAFEGUARDING THE UK'S WATER SYSTEM:** Dan Goss and Andrew O'Brien looked at the need for policy makers, the water industry, business and the public to work together to avoid an unnecessary water crisis, setting out the policy recommendations to keep the taps flowing.

**POWERING THE SUPERPOWER: UPGRADING THE UK'S INDUSTRIAL INFRASTRUCTURE TO UNLOCK TECHNOLOGICAL TRANSFORMATION FOR GROWTH:** Andrew O'Brien and Dan Goss looked at the sectors that hold significant potential for growing the economy, as well as those with a large footprint, where technology can have a large positive impact.

**WALL TO WALL SUPPORT: JOINING UP PUBLIC SERVICES AND HOUSING FOR VULNERABLE CHILDREN, YOUNG PEOPLE AND FAMILIES:** Andrew Phillips, Lucy Bush and Stephen Walcott argued that public services need to be more effectively joined up to produce better policy outcomes and also save the taxpayer money.

**POWER AND PLACE - THE FUNDAMENTALS: DEMOS & UK 2040 OPTIONS:** Andrew O'Brien and Courtney Stephenson identified the core schools of thought on how best to achieve devolution in the UK.

**STRONG FOUNDATIONS: WHY EMOTIONAL HEALTH IS CRITICAL FOR MENTAL HEALTH:** Alice Dawson introduced the concept of emotional health and explored the role it can play as a protective factor for mental health.

**DRIVERS OF DIGITAL DISCORD: HOW NEWS MEDIA AND SOCIAL MEDIA DRIVE ONLINE DISCOURSE - AND PATHWAYS FOR CHANGE:** Ellen Judson and Sophia Knight looked at the policy reforms needed to safeguard against online harms, rebuild the relationship between audiences, news producers and platforms and future-proof our digital environments for a fast-approaching revolution.

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# Demos

## Company Limited by Guarantee

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

Year ended 31 December 2023

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#### 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 2023.

##### FINANCE REVIEW

The results of the year's activity are set out in the attached financial statements. Total incoming resources were £1,389,773 a 28% increase of £258,747 to the previous year £1,131,026. Expenditure for the year was £1,341,352, compared with £1,129,942 in the prior year. The majority of this increase in expenditure being represented by the significant increase in staffing delivering increased research and management. The increase in expenditure is in line with the generation of additional research income.

##### RESERVES & GOING CONCERN

As set out in the Accounting Policies in Note 1.4 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 2019 represented a good base year and that there is every sign that even allowing for the uncertainties of COVID-19 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. This level was reached during 2023.

At the time of writing, Demos' reserves have more than doubled since the end of 2019 and have again grown in 2023 to £ - the highest level it has ever had. At the time of writing we have just had a surprise election which has paused fundraising for a period but we are confident that we are in a strong position in 2024 to still complete the year without the use of reserves. 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 current political cycle.

##### RISK ASSESSMENT

Demos continued to closely manage risks in 2023. We continued to develop project management controls, using technology, training and processes that encourage Demos personnel to recognise and prepare for risk events at project outset and consider "lessons learned" at their conclusion. We continued our "How to Demos" programme to capture our project management, fundraising and HR processes to ensure continuity in a time of change and improve consistency across the team. In addition to this, Demos continued to review its operations against the operational risk register, which was reviewed systematically in September 2022 and again in June 2024. The executive shares responsibility for actively managing all risks on the risk register. All new internal policies relevant to risk areas, including but not limited to employee safeguarding, data protection and anti-fraud, were periodically reviewed in line with best practice.

Demos received ongoing guidance and scrutiny at a Governance level from Demos' Finance and Audit subcommittee, including via monthly meetings which were reduced to quarterly at the end of 2023 to reflect the improved security of the organisation.

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# Demos

## Company Limited by Guarantee

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

#### Year ended 31 December 2023

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Due to turnover in the head of operations role, we started 2024 with a more thorough recruitment process appointing Karishma Dharni to start at the mid year point. We mitigated risks of this extended recruitment period to the governance of the organisation by employing an experienced charity consultant to support the board process and do a thorough governance review, and subsequently an IT and security review in 2024 which enabled the new head of operations to start in a strong position and smoothly support the risk management of the charity.

#### **Future Development**

Demos ended the year in a strong position and with a strong pipeline of new projects into 2024. The executive team undertook a desk based review of capacity planning for 2024 to ensure we could achieve the new targets being set for the growing team, which gave the exec and board some assurance that we were aiming suitably ambitiously but within our capacity limits. Capacity planning remains a major focus for the effectiveness of the organisation. The election in 2024 disrupted the fundraising cycle but the strong performance in the first part of the year, and in 2023, means this has not presented undue concern. 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. With the merger of Engage Britain and the strong current performance, we remain committed to the participation strategy into 2025 and are planning a new three year strategic review for the midway point of 2025.

#### **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 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 charitable company 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

## Demos

### Company Limited by Guarantee

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

Year ended 31 December 2023

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presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity'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 charity 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:

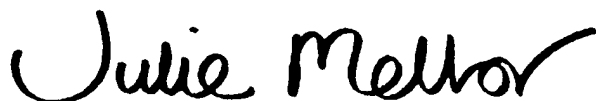
- So far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- They have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that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

#### Small company provisions

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

24/09/2024

The trustees' annual report was approved on ..... and signed on behalf of the board of trustees by:



Dame J Mellor (Chair)  
Trustee



# Demos

## Company Limited by Guarantee

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

Year ended 31 December 2023

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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 2023 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 2023 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 group 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.

#### 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

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# Demos

## Company Limited by Guarantee

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

#### Year ended 31 December 2023

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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.

#### **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 group'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 group or to cease operations, or have no realistic alternative but to do so.

# Demos

## Company Limited by Guarantee

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

Year ended 31 December 2023

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#### 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.

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.

# Demos

## Company Limited by Guarantee

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

Year ended 31 December 2023

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- 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.

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

24/09/2024

# Demos

## Company Limited by Guarantee

### Consolidated Statement of Financial Activities (including income and expenditure account)

Year ended 31 December 2023

		2023		2022	
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
<b>Income and endowments</b>					
Donations and legacies	5	332	–	332	1,804
Charitable activities	6	901,167	460,753	1,361,920	1,120,637
Other trading activities	8	7,680	–	7,680	4,125
Investment income	9	19,841	–	19,841	4,424
<b>Total income</b>		<u>929,020</u>	<u>460,753</u>	<u>1,389,773</u>	<u>1,131,026</u>
<b>Expenditure</b>					
Expenditure on charitable activities	10,11	880,599	460,753	1,341,352	1,129,942
Expenditure on trading activities	10	–	–	–	–
<b>Total expenditure</b>		<u>880,599</u>	<u>460,753</u>	<u>1,341,352</u>	<u>1,395,942</u>
<b>Net income and net movement in funds</b>		<u>48,421</u>	<u>–</u>	<u>48,421</u>	<u>1,084</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		407,346	–	407,346	406,262
<b>Total funds carried forward</b>		<u>455,767</u>	<u>–</u>	<u>455,767</u>	<u>407,346</u>

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

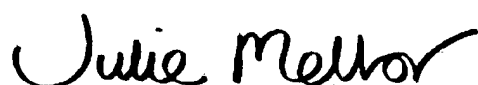
The notes on pages 23 to 36 form part of these financial statements.

**Demos**  
**Company Limited by Guarantee**  
**Consolidated Statement of Financial Position**  
**31 December 2023**

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Intangible assets	17	26,027	–
Tangible fixed assets	18	10,256	47,477
		<u>36,283</u>	<u>47,477</u>
<b>Current assets</b>			
Debtors	19	284,585	159,071
Cash at bank and in hand		1,363,364	459,405
		<u>1,647,949</u>	<u>618,476</u>
<b>Creditors: amounts falling due within one year</b>	20	1,228,465	258,607
<b>Net current assets</b>		<u>419,484</u>	<u>359,869</u>
<b>Total assets less current liabilities</b>		<u>455,767</u>	<u>407,346</u>
<b>Net assets</b>		<u><u>455,767</u></u>	<u><u>407,346</u></u>
<b>Funds of the charity</b>			
Unrestricted funds		455,767	407,346
Restricted funds		–	–
<b>Total charity funds</b>	23	<u><u>455,767</u></u>	<u><u>407,346</u></u>

The consolidated statement of financial positions includes the assets and liabilities of the group which includes parent charity, Demos, and its subsidiary company, Demos Consulting Limited.

These financial statements were approved by the board of trustees and authorised for issue on 24/09/2024....., and are signed on behalf of the board by:



Dame J Mellor (Chair)  
Trustee

The notes on pages 23 to 36 form part of these financial statements.

**Demos**  
**Company Limited by Guarantee**  
**Statement of Financial Position**  
**31 December 2023**

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Intangible assets	17	26,027	–
Tangible fixed assets	18	10,256	47,477
		<u>36,283</u>	<u>47,477</u>
<b>Current assets</b>			
Debtors	19	303,105	345,987
Cash at bank and in hand		1,343,069	255,857
		<u>1,646,174</u>	<u>581,080</u>
<b>Creditors: amounts falling due within one year</b>	<b>20</b>	<u>1,226,690</u>	<u>221,211</u>
<b>Net current assets</b>		<u>419,484</u>	<u>359,869</u>
<b>Total assets less current liabilities</b>		<u>455,767</u>	<u>407,346</u>
<b>Net assets</b>		<u><u>455,767</u></u>	<u><u>407,346</u></u>
<b>Funds of the charity</b>			
Unrestricted funds		455,767	407,346
Restricted funds		–	–
<b>Total charity funds</b>	<b>21</b>	<u><u>455,767</u></u>	<u><u>407,346</u></u>

The unrestricted and restricted fund movement for the parent charity in the year are £48,421 surplus (2022: £1,084 surplus) and £Nil (2022: £Nil) respectively.

These financial statements were approved by the board of trustees and authorised for issue on 24/09/2024....., and are signed on behalf of the board by:

*Julie Mellor*

Dame J Mellor (Chair)  
Trustee

The notes on pages 23 to 36 form part of these financial statements.

**Demos**  
**Company Limited by Guarantee**  
**Consolidated Statement of Cash Flows**  
**Year ended 31 December 2023**

	<b>2023</b>	2022
	<b>£</b>	£
<b>Cash flows from operating activities</b>		
Net (expenditure)/income	48,421	1,084
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	14,491	5,251
Other interest receivable and similar income	(19,841)	(4,424)
Accrued expenses/(income)	76,590	4,022
<i>Changes in:</i>		
Trade and other debtors	24,561	303,102
Trade and other creditors	743,193	(191,215)
Cash generated from operations	887,415	117,820
Interest received	19,841	4,424
Net cash (used in)/from operating activities	<u>907,256</u>	<u>122,244</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(3,297)	(34,545)
Net cash used in investing activities	<u>(3,297)</u>	<u>(34,545)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	903,959	(87,699)
<b>Cash and cash equivalents at beginning of year</b>	459,405	371,706
<b>Cash and cash equivalents at end of year</b>	<u>1,363,354</u>	<u>459,405</u>

The notes on pages 23 to 36 form part of these financial statements.



**Demos**  
**Company Limited by Guarantee**  
**Notes to the Financial Statements**  
**Year ended 31 December 2023**

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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 2022, 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.

# Demos

## Company Limited by Guarantee

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

Year ended 31 December 2023

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#### **Consolidation**

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

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.

##### **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 assessment of the progress to date. See note 20 for disclosure of the amount by which billing exceeds revenue.

#### **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.

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# Demos

## Company Limited by Guarantee

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

#### Year ended 31 December 2023

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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.

#### 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.

#### Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Intangible assets acquired as part of a business combination are only recognised separately from goodwill when they arise from contractual or other legal rights, are separable, the expected future economic benefits are probable and the cost or value can be measured reliably.

#### Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Website	- 3 years
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If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

# Demos

## Company Limited by Guarantee

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

Year ended 31 December 2023

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#### **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

#### **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.

#### **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 2023 was 7 (2022: 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 2023

#### 5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
<b>Donations</b>			
Donations	332	–	332

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
<b>Donations</b>			
Donations	1,804	–	1,804

#### 6. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Projects	634,442	–	634,442
Events and seminars	265,855	–	165,855
Publications and subs	872	–	872
Grant funded research	–	460,753	460,753
	<u>901,169</u>	<u>460,753</u>	<u>1,361,922</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Projects	737,560	–	737,560
Events and seminars	102,700	–	102,700
Publications and subs	804	–	804
Grant funded research	8,937	230,412	239,349
	<u>841,717</u>	<u>230,412</u>	<u>1,072,129</u>

# Demos

## Company Limited by Guarantee

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

Year ended 31 December 2023

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7. Analysis of grants	2023	2022
	£	£
<b>Grants to institutions</b>		
Charities and Foundations	442,725	203,905
Commercial organisations	709,214	671,581
Cultural and Educational organisations	38,953	42,248
Non UK organisation	198,883	162,905
Other	-	7,634
	<u>1,389,775</u>	<u>1,088,273</u>
Total grants	<u>1,389,775</u>	<u>1,088,273</u>

### 8. Other trading activities

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2022 £
Other Income	7,680	7,680	1,641	1,641
	<u>7,680</u>	<u>7,680</u>	<u>1,641</u>	<u>1,641</u>

### 9. Investment income

	Unrestricted Funds £	Total Funds 2023 £	Unrestricted Funds £	Total Funds 2023 £
Bank interest receivable	19,841	19,841	4,424	4,424
	<u>19,841</u>	<u>19,841</u>	<u>4,424</u>	<u>4,424</u>

## Demos

### Company Limited by Guarantee

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

**Year ended 31 December 2023**

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

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Projects	635,687	460,753	1,096,440
Events and seminars	51,578	–	51,578
Support costs	193,334	–	193,334
	<u>880,599</u>	<u>460,753</u>	<u>1,341,352</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Projects	650,690	230,412	881,102
Events and seminars	37,613	–	37,613
Support costs	211,227	–	211,227
	<u>899,530</u>	<u>230,412</u>	<u>1,129,942</u>

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

	Activities undertaken directly £	Support costs £	Total funds 2023 £	Total funds 2022 £
Projects	1,096,440	161,296	1,257,736	1,048,981
Events and seminars	51,578	–	51,578	37,613
Governance costs	–	32,038	32,038	43,348
	<u>1,148,018</u>	<u>193,334</u>	<u>1,341,352</u>	<u>1,129,942</u>

#### 12. Analysis of support costs

	Projects £	Events & Seminars £	Publications & Subscriptions £	Total 2023 £	Total 2022 £
Premises	85,317	507	507	86,330	81,504
General office	8,169	454	454	9,077	10,993
Support costs - Other costs	75,092	4,171	4,172	83,436	113,479
Support costs - Depreciation	13,042	725	725	14,491	5,251
	<u>181,618</u>	<u>5,858</u>	<u>5,858</u>	<u>193,334</u>	<u>211,227</u>

#### 13. Net (expenditure)/income

Net (expenditure)/income is stated after charging/(crediting):

	2023 £	2022 £
Amortisation of intangible assets (transfers)	13,093	–
Depreciation of tangible fixed assets	14,491	5,251
Foreign exchange differences	–	716
	<u>27,584</u>	<u>5,967</u>

# Demos

## Company Limited by Guarantee

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

Year ended 31 December 2023

#### 14. Auditors remuneration

	2023	2022
	£	£
Fees payable for the audit of the financial statements	7,075	6,750
Fees payable for tax advisory services	575	550
Fees payable for non-audit services	4,725	4,500
	<u>12,375</u>	<u>11,800</u>

#### 15. Staff costs

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

	2023	2022
	£	£
Wages and salaries	730,118	633,477
Social security costs	70,178	66,064
Employer contributions to pension plans	36,492	32,643
	<u>836,788</u>	<u>732,184</u>

Total remuneration paid to key management personnel, including benefits such as employer pension contributions, amounted to £115,831 (2022: £88,032).

The average head count of employees during the year was 18 (2022: 19). The average number of full-time equivalent employees during the year is analysed as follows:

	2023	2022
	No.	No.
Projects	14	15
External affairs	3	3
Support costs	1	1
	<u>19</u>	<u>19</u>

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

	2023	2022
	No.	No.
£60,000 to £69,999	1	0
£70,000 to £79,999	1	0
£80,000 to £89,999	0	1
£90,000 to £99,999	0	0
£100,000 to £109,999	0	0
£110,000 to £119,999	1	0
	<u>3</u>	<u>1</u>



# Demos

## Company Limited by Guarantee

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

**Year ended 31 December 2023**

#### 16. Trustee remuneration and expenses

During the year, no Trustees received any remuneration or benefits in kind (2022: £nil). During the year, no Trustees received reimbursement of expenses (2022: £nil).

#### 17. Intangible assets

	<b>Website £</b>
<b>Cost</b>	
Additions	–
Transfers	39,120
<b>At 31 December 2023</b>	<u>39,120</u>
<b>Amortisation</b>	
Charge for the year	–
Transfers	13,093
<b>At 31 December 2023</b>	<u>13,093</u>
<b>Carrying amount</b>	
<b>At 31 December 2023</b>	<u>26,027</u>
At 31 December 2022	<u>–</u>

#### 18. Tangible fixed assets

	Fixtures and fittings £	Computer Equipment £	<b>Total £</b>
<b>Cost</b>			
At 1 January 2023	5,654	56,870	62,524
Additions	–	3,297	3,297
Transfers	–	(39,120)	(39,120)
<b>At 31 December 2023</b>	<u>5,654</u>	<u>21,047</u>	<u>26,701</u>
<b>Depreciation</b>			
At 1 January 2023	3,120	11,927	15,047
Charge for the year	1,043	13,448	14,491
Transfers	–	(13,093)	(13,093)
<b>At 31 December 2023</b>	<u>4,163</u>	<u>12,282</u>	<u>16,445</u>
<b>Carrying amount</b>			
<b>At 31 December 2023</b>	<u>1,491</u>	<u>8,765</u>	<u>10,256</u>
At 31 December 2022	<u>2,534</u>	<u>44,943</u>	<u>47,477</u>

# Demos

## Company Limited by Guarantee

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

#### Year ended 31 December 2023

#### 19. Debtors

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	162,439	50,227	164,670	40,495
Prepayments and accrued income	75,554	73,868	75,554	73,753
Other debtors	46,562	34,976	62,881	210,975
	<u>284,585</u>	<u>159,071</u>	<u>303,105</u>	<u>325,223</u>

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

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Trade creditors	72,346	55,381	72,346	55,381
Accruals and deferred income	1,060,683	132,840	1,060,683	112,367
Social security and other taxes	85,074	61,045	85,074	44,651
Other creditors	10,302	23,190	8,587	22,590
	<u>1,228,465</u>	<u>272,456</u>	<u>1,226,690</u>	<u>234,989</u>

#### 21. Deferred income

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
At 1 January 2023	92,820	63,600	92,820	63,600
Amount released to income	(92,820)	(63,600)	(92,820)	(63,600)
Amount deferred in year	963,437	96,820	963,437	92,820
At 31 December 2024	<u>963,437</u>	<u>96,820</u>	<u>963,437</u>	<u>92,820</u>

#### 22. 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 £36,942 (2022: £32,643).

# Demos

## Company Limited by Guarantee

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

Year ended 31 December 2023

#### 23. Analysis of charitable funds

##### Unrestricted funds

##### Group and company

	At 1 January 2023 £	Income £	Expenditure £	At 31 December 2023 £
General funds	<u>407,346</u>	<u>929,020</u>	<u>(880,599)</u>	<u>455,767</u>

	At 1 January 2022 £	Income £	Expenditure £	At 31 December 2022 £
General funds	<u>407,346</u>	<u>900,578</u>	<u>(899,530)</u>	<u>407,346</u>

##### Company

	At 1 January 2023 £	Income £	Expenditure £	At 31 December 2023 £
General funds	<u>407,346</u>	<u>957,009</u>	<u>(908,588)</u>	<u>455,767</u>

	At 1 January 2022 £	Income £	Expenditure £	At 31 December 2022 £
General funds	<u>406,262</u>	<u>857,870</u>	<u>(856,786)</u>	<u>407,346</u>

## Demos

### Company Limited by Guarantee

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

#### Year ended 31 December 2023

#### Restricted funds

#### Group and company

The subsidiaries have no restricted funds.

	At 1 January 2023 £	Income £	Expenditure £	At 31 December 2023 £
Barrow Cadbury	–	15,000	(15,000)	–
Violence against Journalists	–	2,663	(2,663)	–
Employment and skills	–	13,612	(13,612)	–
Inheritance	–	51,796	(51,796)	–
GCI 2023	–	62,194	(62,194)	–
Social Media Listening	–	17,850	(17,850)	–
Houchenism	–	5,000	(5,000)	–
LTNs and Conspiracy	–	16,880	(16,880)	–
Misinformation classm intervent	–	33,360	(33,360)	–
Information Harms	–	132,368	(132,368)	–
Future of Youth Hubs	–	21,351	(21,351)	–
AI Election Pledge	–	10,462	(10,462)	–
Emerging Tech	–	4,000	(4,000)	–
Gendered Disinformation	–	8,100	(8,100)	–
Digital Infrastructure	–	29,200	(29,200)	–
	<u>–</u>	<u>460,753</u>	<u>(460,753)</u>	<u>–</u>

	At 1 January 2022 £	Income £	Expenditure £	At 31 December 2022 £
LIPSIT	–	998	(998)	–
Hyde	–	7,500	(7,500)	–
Grantfortheweb	–	31,729	(31,729)	–
Inheritance	–	56,976	(56,976)	–
GCI 2022	–	32,700	(32,700)	–
Black Country	–	55,000	(55,000)	–
Houchenism	–	20,000	(20,000)	–
CAOV	–	15,975	(15,975)	–
Misinformation classm intervent	–	2,566	(2,566)	–
Information Harms	–	6,967	(6,967)	–
	<u>–</u>	<u>230,412</u>	<u>(230,412)</u>	<u>–</u>

# Demos

## Company Limited by Guarantee

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

Year ended 31 December 2023

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

##### Group

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Total fixed assets	36,283	–	36,283
Current assets	1,647,949	–	1,647,949
Creditors less than 1 year	(1,228,465)	–	(1,228,465)
<b>Net assets</b>	<u>455,757</u>	<u>–</u>	<u>455,757</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Total fixed assets	47,477	–	47,477
Current assets	618,476	–	618,476
Creditors less than 1 year	(258,607)	–	(258,607)
<b>Net assets</b>	<u>407,346</u>	<u>–</u>	<u>407,346</u>

##### Company

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Tangible fixed assets	36,283	–	36,283
Current assets	1,646,174	–	1,646,174
Creditors less than 1 year	(1,226,690)	–	(1,226,690)
<b>Net assets</b>	<u>455,757</u>	<u>–</u>	<u>455,757</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Tangible fixed assets	47,477	–	47,477
Current assets	581,080	–	581,080
Creditors less than 1 year	(221,211)	–	(221,211)
<b>Net assets</b>	<u>407,346</u>	<u>–</u>	<u>407,346</u>

**Demos**  
**Company Limited by Guarantee**  
**Notes to the Detailed Statement of Financial Activities**  
**Year ended 31 December 2023**

**25. Analysis of changes in net debt**

**Group**

	At 1 Jan 2023 £	Cash flows £	At 31 Dec 2023 £
Cash at bank and in hand	<u>459,405</u>	<u>903,959</u>	<u>1,363,364</u>

**Company**

	At 1 Jan 2023 £	Cash flows £	At 31 Dec 2023 £
Cash at bank and in hand	<u>255,857</u>	<u>1,087,212</u>	<u>1,343,069</u>

**26. Operating lease commitments**

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

	<b>2023</b> £	2022 £
Not later than 1 year	67,248	33,763
Later than 1 year and not later than 5 years	<u>176,819</u>	<u>—</u>
	<u>289,587</u>	<u>33,763</u>

**27. Related parties**

**Company**

At the balance sheet date £30,190 (2022: £177,457) owed and was owed to a company under common control.