

Company Registered Number  
03855274 (England and Wales)

# Opendemocracy Limited

Annual Report and Financial Statements

for the year ended 31 December 2016

KLSA LLP  
Statutory Auditor  
Klaco House  
28-30 St John's Square  
London  
EC1M 4DN

FRIDAY



\*L6G0UN02\*

LD5

29/09/2017

#7

COMPANIES HOUSE

**Opendemocracy Limited**  
**Company Information**

**Directors**

A H Barnett  
R Bechler  
J A Curzon Price  
D K Elstein  
M C Fitzgerald  
P G N Johnson  
J A D Mills  
M G Mitchell  
T B Munthe  
E Potter  
S M Richards  
L J Sandys

**Registered number**

03855274

**Registered office**

18 Ashwin Street  
Dalston  
London  
E8 3DL

**Auditors**

KLSA LLP  
Klaco House  
28-30 St John's Square  
London  
EC1M 4DN

**Bankers**

HSBC plc  
The Helicon  
1 South Place  
London  
EC2M 2UP

**Accountant**

Green Accountancy  
Signal Court  
Old Station Way  
Eynsham, Oxford  
OX29 4TL

**Opendemocracy Limited**

**Registered number: 03855274**

**Directors' Report**

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

**Directors**

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

A H Barnett  
R Bechler  
J A Curzon Price  
D K Elstein  
M C Fitzgerald  
P G N Johnson  
J A D Mills  
M G Mitchell  
T B Munthe  
E Potter  
S M Richards  
L J Sandys

**Principal activity**

The company's principal activity during the year continued to be concept and business development for an online publishing network.

**Auditor**

PKF Littlejohn LLP resigned as auditors during the year and KLSA LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be appointed will be put at a General Meeting.

**Statement of directors' responsibilities**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

**Opendemocracy Limited**

**Registered number:**

**03855274**

**Directors' Report**

**(Continued)**

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Disclosure of information to auditors**

Each person who was a director at the time this report was approved confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**Small company provisions**

This report has been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

This report was approved by the board on 28/9/17 and signed on its behalf.



D K Elstein

Director

**Opendemocracy Limited**  
**Independent auditors' report**  
**to the members of Opendemocracy Limited**

We have audited the accounts of Opendemocracy Limited for the year ended 31 December 2016 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**Scope of the audit of the accounts**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on the accounts**

In our opinion the accounts:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opendemocracy Limited  
Independent auditors' report  
to the members of Opendemocracy Limited**

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Directors' Report has been prepared in accordance with applicable legal requirements.

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

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the accounts in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

*KLSA LLP*

Shilpa Chheda (Senior Statutory Auditor)  
for and on behalf of KLSA LLP  
Chartered Accountants  
Statutory Auditors  
Klaco House  
28-30 St John's Square  
London  
EC1M 4DN

**Opendemocracy Limited**  
**Profit and Loss Account**  
**for the year ended 31 December 2016**

	Notes	2016 £	2015 £
Turnover	2	766,943	723,265
Direct costs		(537,492)	(488,940)
<b>Gross profit</b>		<u>229,451</u>	<u>234,325</u>
Administrative expenses		(385,900)	(344,889)
Other operating income	3	166,677	132,840
<b>Operating profit</b>		<u>10,228</u>	<u>22,276</u>
Interest receivable		9	7
<b>Profit on ordinary activities before taxation</b>		<u>10,237</u>	<u>22,283</u>
Tax on profit on ordinary activities	4	(1,186)	-
<b>Profit for the financial year</b>		<u>9,051</u>	<u>22,283</u>

Opendemocracy Limited

Registered number: 03855274

Balance Sheet

as at 31 December 2016

	Notes	2016 £	2015 £
<b>Fixed assets</b>			
Tangible assets	7	1,327	1,691
<b>Current assets</b>			
Debtors	8	56,542	78,053
Cash at bank and in hand		435,089	98,486
		<u>491,631</u>	<u>176,539</u>
<b>Creditors: amounts falling due within one year</b>	9	(504,276)	(198,599)
<b>Net current liabilities</b>		<u>(12,645)</u>	<u>(22,060)</u>
<b>Total assets less current liabilities</b>		<u>(11,318)</u>	<u>(20,369)</u>
<b>Net liabilities</b>		<u>(11,318)</u>	<u>(20,369)</u>
<b>Capital and reserves</b>			
Called up share capital	11	2	2
Profit and loss account		(11,320)	(20,371)
<b>Shareholders' funds</b>		<u>(11,318)</u>	<u>(20,369)</u>

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

The financial statements were approved by the board of directors and authorised for issue on

...28/9/17..... and are signed on its behalf by:



D K Elstein

Director

Company Registration No. 06565448



**Opendemocracy Limited**  
**Notes to the Accounts**  
**for the year ended 31 December 2016**

**1 Accounting policies**

***Company information***

Opendemocracy Limited is a private company limited by shares incorporated in England and Wales. The registered office is 18 Ashwin Street, London, London, E8 3DL.

***Accounting convention***

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

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

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

***Turnover***

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the rendering of services, grant and donations.

***Rendering of services***

Contract services which are recognised as income when the service is provided.

***Donations***

Cash donations are recognised on receipt. Other donations are recognised once Opendemocracy has been entitled to the donation.

***Grants***

Grants relating to revenue are recognised in income on a systematic basis over the periods in which the entity recognises the related costs for which the grant is intended to compensate. A grant that becomes receivable as compensation for expenses or losses already incurred, or for the purpose of giving immediate financial support to the entity with no future related costs, is recognised in income in the period in which it becomes receivable.

**Opendemocracy Limited**  
**Notes to the Accounts**  
**for the year ended 31 December 2016**

***Tangible fixed assets***

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Website	Fully depreciated
Office Equipment	25% straight line basis

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

***Impairment of fixed assets***

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

***Cash and cash equivalents***

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

***Financial instruments***

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

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

***Basic financial assets***

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

***Classification of financial liabilities***

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

**Opendemocracy Limited**  
**Notes to the Accounts**  
**for the year ended 31 December 2016**

***Basic financial liabilities***

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

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

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

***Taxation***

The tax expense represents the sum of the tax currently payable and deferred tax.

***Current tax***

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

***Deferred tax***

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

***Foreign currency translation***

Transactions in foreign currencies are initially recognised at the rate of exchange ruling at the date of the transaction. At the end of each reporting period foreign currency monetary items are translated at the closing rate of exchange. Non-monetary items that are measured at historical cost are translated at the rate ruling at the date of the transaction. All differences are charged to profit or loss.

***Employee benefits***

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

**Opendemocracy Limited**  
**Notes to the Accounts**  
**for the year ended 31 December 2016**

***Retirement benefits***

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

***Comparative***

Creditors (amounts falling due after one year) has been reclassified as Creditors amounts falling due within one year due to clarification of circumstances. Comparative figure have been adjusted to conform with changes accordingly. These changes had no effect on the reported results of operations.

**2 Turnover**

	<b>£</b>
Partnerships & other services	106,890
Grant income	660,053
	<u>766,943</u>

**3 Other operating income**

Donations are received from individuals which are used to support the content delivered through the website. Any surplus donations at year end are subject to corporation tax.

**4 Taxation**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
UK corporation tax on taxable profits for the current period (20%)	1,186	-
Unrelieved trading losses carried forward has been fully utilised by year ended 31 December 2016.		

**5 Auditors remuneration**

Fees payable to the company's auditor for the audit of the company's financial statements is £2,060 (2015 -£2,000)

**6 Employees**

	<b>2016</b>	<b>2015</b>
	<b>Number</b>	<b>Number</b>
Average number of persons employed by the company (including directors)	<u>10</u>	<u>11</u>

Opendemocracy Limited  
Notes to the Accounts  
for the year ended 31 December 2016

**7 Tangible fixed assets**

	Website £	Office equipment £	Total £
<b>Cost</b>			
At 1 January 2016	119,492	6,234	125,726
Additions	-	266	266
Disposals	-	(2,272)	(2,272)
At 31 December 2016	<u>119,492</u>	<u>4,228</u>	<u>123,720</u>
<b>Depreciation</b>			
At 1 January 2016	119,491	4,544	124,035
Charge for the year	-	630	630
On disposals	-	(2,272)	(2,272)
At 31 December 2016	<u>119,491</u>	<u>2,902</u>	<u>122,393</u>
<b>Net book value</b>			
At 31 December 2016	<u>1</u>	<u>1,326</u>	<u>1,327</u>
At 31 December 2015	<u>1</u>	<u>1,690</u>	<u>1,691</u>

**8 Debtors**

	2016 £	2015 £
Trade debtors	35,805	38,921
Other debtors	20,737	39,132
	<u>56,542</u>	<u>78,053</u>

**9 Creditors: amounts falling due within one year**

	2016 £	2015 £
Trade creditors	36,633	45,114
Corporation tax	1,186	-
Other taxes and social security costs	5,476	5,734
Other creditors	951	128
Accruals	5,032	2,300
Deferred grants	454,165	119,979
Deferred income	833	25,344
	<u>504,276</u>	<u>198,599</u>

**Opendemocracy Limited**  
**Notes to the Accounts**  
**for the year ended 31 December 2016**

<b>10 Financial Commitment</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Rent (annual renewal basis)	<u>8,600</u>	<u>6,461</u>
<b>11 Called up share capital</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Ordinary share capital Issued and fully paid 2 of 1 pound each	<u>2</u>	<u>2</u>

**12 Controlling party**

The company is controlled by The openDemocracy Foundation For The Advancement Of Global Education. The company is a 100% subsidiary of The openDemocracy Foundation for the Advancement of Global Education, a company limited by guarantee, registered in England and Wales, and with similar objects to this company. No single individual has a controlling interest in The openDemocracy Foundation for the Advancement of Global Education.

**13 Related party transactions**

During the year the company made the following related party transactions:

**Elseco Ltd**

(Dr J A Curzon Price is a director and shareholder in Elseco Ltd)

During this period the company has repaid Elseco Ltd £8,500. Elseco Ltd has provided no services during this period. At the balance sheet date the amount due to Elseco Ltd was £16,653 (2015: £25,153).

**OpenTrust**

(Mr D Elstein and Mr A H Barnett are trustees of OpenTrust, and the chair of trustees, Sir Charles Chadwyck-Healey was a director of openDemocracy Limited prior to his appointment as chair of OpenTrust)

openDemocracy Limited received £210,098 (2015: £197,864) from OpenTrust, a UK registered charity that provides grant funding to openDemocracy Limited, a company with similar objectives to the Trust, and with common Directors. At the balance sheet date the amount due to/ from OpenTrust was £nil (2015: £nil).