

STAKEHOLDER DEMOCRACY NETWORK
(Limited by guarantee)

DIRECTORS' AND TRUSTEES' REPORT

AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2020

Company No: 05101121
Charity No: 1148143

STAKEHOLDER DEMOCRACY NETWORK
(Limited by guarantee)

REPORT AND ACCOUNTS

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STAKEHOLDER DEMOCRACY NETWORK

(Limited by guarantee)

DIRECTORS' AND TRUSTEES' REPORT

FOR THE YEAR ENDED 30 APRIL 2020

The trustees are pleased to present their annual consolidated directors' and trustees report together with the financial statements of the Stakeholder Democracy Network (the 'Charity' or 'Company') and its subsidiaries (together the 'Group') for the year ended 30th April 2020, which are also prepared to meet the requirements for a directors' report and Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statements 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) (effective 1 January 2015).

OUR PURPOSE AND ACTIVITIES

The Stakeholder Democracy Network group supports the efforts of those affected by the extractives industry and weak governance. We work with governments, companies, communities and other stakeholders to ensure the promotion and protection of human rights. The group has operated for over 15 years in the Niger Delta and has offices in Port Harcourt (Nigeria) and London (UK). Our work is underpinned by strong relationships with stakeholders across the region, our local presence, and a focus on research and political economy analysis, which helps us to understand and respond to the constantly shifting dynamics of the Niger Delta with work that has meaningful benefit for the people of the region.

Our vision is one of a new global economic and social contract, which corrects the asymmetry of power in negotiating social contracts between stakeholders in the global economy. Our vision is one that ensures basic rights – including economic and social development – are not sacrificed in one part of the world to the benefit of another.

Our mission is to support the efforts of those affected by extractive industries and weak governance through rights based community empowerment. We strive to protect human rights and demand responsive governance.

The group has two subsidiaries that are registered in Nigeria whose activity is to aid Stakeholder Democracy Network to carry out its objectives in Nigeria. The first of these is Citizens Direct Network Limited, a company registered with the Corporate Affairs Commission (CAC) in the Federal Republic of Nigeria with the company number 847695. The second of these is Niger Delta Stakeholders Initiative for Community Development and Empowerment, a company registered with the Corporate Affairs Commission (CAC) in the Federal Republic of Nigeria with the company number CAC/IT/NO 73022.

Achievement and activities

The group continued to gain relevance and have influence on development initiatives within the Niger Delta region. This was done through expanding its number of funding partnerships and increasing its relationships with existing funding partners. Main activities for the period under review were the implementation of alternative livelihood pilots to help prove the economy can be diversified away from the oil industry and provide economic empowerment to citizens of the Niger Delta; the setup of oil spill clean-up monitoring activities in Ogoniland; assisting the Federal Government in Nigeria to produce coordinated policy plans for development in the Niger Delta region; working with INEC to understand the lessons learnt from recent elections and how these can help improve future elections processes; working with the Ministry of Environment to promote the passing of key environmental legislation; and amplifying the voices of local communities through radio discussion to make sure their views are taken into consideration in political and development processes. The Trustees have focused on delivering sustainable impacts through programmes that provide good value for money so that donor funds can be used to maximum effect on the ground in the Niger Delta and further deepen the community engagement work that is fundamental to the group's success.

Public benefit statement

In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PD2)'. The achievements and activities above demonstrate the public benefit arising through the group's activities.

STAKEHOLDER DEMOCRACY NETWORK
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DIRECTORS' AND TRUSTEES' REPORT (Cont/d)

FOR THE YEAR ENDED 30 APRIL 2020

FINANCIAL REVIEW

The Statement of Financial Activities showed a surplus of £157,992 (2019 – surplus £100,921) for the year and reserves stand at £637,275 (2019 - £529,170).

The financial position of the group continued to improve during the reporting period as our portfolio of work increased and we built upon the foundation laid in prior years. The group has benefited from some long term funding as they, and the donor community, could more clearly identify what initiatives were likely to make impact in the current political and business environment over the past few years. The group therefore went through a period of building upon its financial stability and has structured itself to best deliver on its charitable objectives and be best prepared for future growth of the organisation.

The reporting period ended just as the global COVID-19 pandemic was beginning. Thankfully, SDN had built up its financial stability over the prior years and, therefore, was in a good position going into a difficult period for the global economy.

Principal funding sources

The main funding sources for the group are grants awarded from government agencies. During the period under review the main grant authorities were The Dutch Embassy in Abuja, The UK Foreign & Commonwealth Office, The MacArthur Foundation and The UK Department of International Development.

Investment powers and policy

Under the Memorandum and Articles of Association, the group has the power to invest in any way the Trustees see fit.

Reserves policy

The Trustees consider it prudent to maintain an adequate balance of unrestricted reserves to cover the group's contractual commitments and provide a sound base for the future. Ideally, this should be equivalent to a minimum level of 2 months of the annual budget. At the 30th April 2020 the unrestricted reserves not invested in fixed assets totalled £270,063 (2019 – £325,688).

FUTURE ACTIVITIES

The charitable group has further built upon partnerships with the Nigerian government administration at a Federal, State and Local level and will further leverage these to amplify the voice of local communities in order for them to actively participate in their own development. The charitable group will continue to extend its alternative livelihood work to help diversify the economy away from the oil industry and provide economic opportunities for the citizens of the Niger Delta. The donor base will continue to be increased so that income streams are diversified which will help to reduce financial risk within the organisation. This is a time of significant change and opportunity in the Niger Delta and the group will look to capitalise on this through its long-term experience at both the grass-roots and policy level.

REFERENCE AND ADMINISTRATIVE DETAILS

Company Number: 05101121

Charity Number: 1148143

Directors and Trustees:

J D'Angelo - Chairperson

Professor M Anikpo

J A H Croft

R J Ekperi

A Holliday (resigned on 10 January 2021)

I D Pedro

D M Pearson

STAKEHOLDER DEMOCRACY NETWORK
(Limited by guarantee)
DIRECTORS' AND TRUSTEES' REPORT (Cont/d)
FOR THE YEAR ENDED 30 APRIL 2020

Secretary: C A Laing (appointed on 20 November 2020), B Ingle (resigned on 20 November 2020)

Senior Management: C A Laing (appointed on 20 November 2020), B Ingle (resigned on 20 November 2020)

Registered Office: The Grayston Centre, 28 Charles Square, Unit G03, London N1 6HT

Accountants: Ramon Lee Audit LLP, 93 Tabernacle Street, London EC2A 4BA

Bankers: Lloyds Bank Plc, Thame Branch, 13 Cornmarket Thame, Oxfordshire OX9 2BN

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

Stakeholder Democracy Network is a company limited by guarantee and not having a capital divided by shares.

The company was incorporated on 14th April 2004 and registered as a charity on 16th July 2012. It is a registered charity constituted as a limited company under the Memorandum and Articles of Association. The Charity's registration number is 1148143 and the company registration number is 05101121.

Appointment of trustees

As set out in the Articles of Association, the Chair of the Trustees is nominated by existing Trustees. The Directors of the organisation are also the Trustees for the purposes of charity law.

The Board of Trustees has the power to appoint additional Trustees as it considers fit to do so, in line with the company's governing documents.

The Trustees in office in the year are set out on page 3. The Trustees have no beneficial interest in the group other than as members. The Trustees are also the directors of the Parent company. All of the Trustees are members of the Parent company and guarantee to contribute £1 each in the event of a winding up.

Trustee induction and training

The Trustees maintain a good working knowledge of charity and company law and best practise through their professional and business interests. New Trustees are given copies of the Memorandum and Articles of Association

Organisation

The Board of Trustees, which comprises seven members, administers the group. The Board meets periodically to review the affairs of the group and to consider strategies and operations. To facilitate activities, the Board have delegated authority, within terms of delegation approved by the Trustees, for operational matters including financial, employment and other related activities. All decisions relating to strategy and policy are made by the Board of Trustees.

Risk management

The Management Committee has conducted a review of the major risk to which the group is exposed. A risk register has been established and is updated at least annually. Where appropriate, systems or procedures have been established to mitigate the risks the group faces.

Related parties

The Trustees have no beneficial interest in the company other than as members.

STAKEHOLDER DEMOCRACY NETWORK
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DIRECTORS' AND TRUSTEES' REPORT (Cont/d)

FOR THE YEAR ENDED 30 APRIL 2020

Six of the Trustees (J D'Angelo, J A H Croft, A Holliday, I D Pedro, Professor M Anikpo and R J Ekperi) are also Trustees of Niger Delta Stakeholders Initiative for Community Development and Empowerment which is one of Stakeholder Democracy Network's subsidiary entities operating in Nigeria.

Pay policy for senior staff

The arrangements for setting the pay and remuneration of the group's staff is done by the group's Management Team and included within the company's budgeting process. The setting of pay and remuneration for the Executive Director is approved by the Board and Directors.

Members of the Management Committee

Members of the Management Committee, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on page 4.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of Stakeholder Democracy Network for the purposes of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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 its income and expenditure for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The trustees are responsible for the maintenance and integrity of the group and the financial information included on the group's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

STATEMENT OF DISCLOSURE TO AUDITOR

So far as the Directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the Directors have taken all the necessary steps that we ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the group's auditors are aware of that information.

STAKEHOLDER DEMOCRACY NETWORK
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DIRECTORS' AND TRUSTEES' REPORT (Cont/d)

FOR THE YEAR ENDED 30 APRIL 2020

AUDITORS

The report of the directors has been prepared taking advantage of the small companies' exemption of section 415A of the Companies Act 2006.

APPROVAL

This report was approved by the Board of Trustees and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'J D'Angelo', with a long horizontal stroke extending to the right.

J D'Angelo
CHAIRPERSON

31 March 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

STAKEHOLDER DEMOCRACY NETWORK

(Limited by guarantee)

Opinion

We have audited the financial statements of Stakeholder Democracy Network for the year ended 30th April 2020, which comprise the Consolidated Statement of Financial Activities (Summary Income and Expenditure Account), Statement of Financial Activities (Summary Income and Expenditure Account), the Consolidated Balance Sheet, the Statement of Cash Flows and Consolidated Statement of Cash Flows and notes to the financial statements, 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 Financial Reporting Standard 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 charitable company's affairs as at 30th April 2020 and of the group's and charitable company's incoming resources and application of resources, including the group's and charitable company's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2011.

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 company 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from the date when the financial statements are authorised for issue.

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 directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF (Contd/)

STAKEHOLDER DEMOCRACY NETWORK (Limited by guarantee)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and charitable 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 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;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit;
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Directors' and Trustees' Report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statements set out on page 13, the directors 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 directors 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 directors are responsible for assessing the group's and charitable company'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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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



DAVID TERRY (Senior Statutory Auditor)
for and on behalf of RAMON LEE AUDIT LLP
CHARTERED ACCOUNTANTS
STATUTORY AUDITOR

**93 TABERNACLE STREET
LONDON EC2A 4BA**

31 MARCH 2021

STAKEHOLDER DEMOCRACY NETWORK
(Limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 30 APRIL 2020

SUMMARY INCOME AND EXPENDITURE ACCOUNT

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Income					
Grants, donations and legacies	2	26,442	-	26,442	14,899
<i>Income from charitable activities:</i>					
Grants and contracts	3	167,684	1,715,108	1,882,792	1,882,107
Other		-	-	-	-
<i>Income from other trading activities:</i>					
Other		8,353	-	8,353	7,136
<i>Investment income:</i>					
Bank Interest		128	-	128	164
Total income		<u>202,607</u>	<u>1,715,108</u>	<u>1,917,715</u>	<u>1,904,306</u>
Expenditure					
<i>Expenditure on charitable activities</i>	6, 18	(197,400)	(1,553,164)	(1,750,564)	(1,794,617)
<i>Expenditure on trading activities</i>		(9,159)	-	(9,159)	(8,768)
Total expenditure		<u>(206,559)</u>	<u>(1,553,164)</u>	<u>(1,759,723)</u>	<u>(1,803,385)</u>
Net income/(expenditure) and net movement in funds for the year before transfers		(3,952)	161,944	157,992	100,921
Transfers between funds	18	<u>(25,270)</u>	<u>25,270</u>	<u>-</u>	<u>-</u>
Net income/(expenditure) and net movement in funds for the year after transfers		(29,222)	187,214	157,992	100,921
Gains / (losses) on consolidation		<u>(37,080)</u>	<u>(12,807)</u>	<u>(49,887)</u>	<u>17,599</u>
Net movements of funds		<u>(66,302)</u>	<u>174,407</u>	<u>108,105</u>	<u>118,520</u>
Reconciliation of funds					
Total funds brought forward		370,086	159,084	529,170	410,650
Total funds, carried forward	18	<u><u>303,784</u></u>	<u><u>333,491</u></u>	<u><u>637,275</u></u>	<u><u>529,170</u></u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

The notes on pages 13 to 29 form part of these accounts.

STAKEHOLDER DEMOCRACY NETWORK
(Limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 30 APRIL 2020

SUMMARY INCOME AND EXPENDITURE ACCOUNT

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Income					
Grants, donations and legacies	2	55,011	-	55,011	117,164
<i>Income from charitable activities:</i>					
Grants and contracts	3	167,683	1,087,639	1,255,322	1,200,707
<i>Investment income:</i>					
Bank Interest		59	-	59	45
Income		<u>222,753</u>	<u>1,087,639</u>	<u>1,310,392</u>	<u>1,317,916</u>
Expenditure					
<i>Expenditure on charitable activities:</i>	8, 19	221,873	1,068,184	1,290,057	1,232,706
Total expenditure		<u>221,873</u>	<u>1,068,184</u>	<u>1,290,057</u>	<u>1,232,706</u>
Net income/(expenditure) and net movement in funds for the year before transfers		880	19,455	20,335	85,210
Transfers between funds		(7,490)	7,490	-	-
Net income/(expenditure) and net movement in funds for the year after transfers		<u>(6,610)</u>	<u>26,945</u>	<u>20,335</u>	<u>85,210</u>
Reconciliation of funds					
Total funds brought forward		207,731	56,658	264,389	179,179
Total funds, carried forward	19	<u>201,121</u>	<u>83,603</u>	<u>284,724</u>	<u>264,389</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

The notes on pages 13 to 29 form part of these accounts.

STAKEHOLDER DEMOCRACY NETWORK
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GROUP BALANCE SHEET

AS AT 30 APRIL 2020

	Notes	GROUP 2020 £	GROUP 2019 £	CHARITY 2020 £	CHARITY 2019 £
FIXED ASSETS					
Tangible assets	14	33,721	44,398	7,714	8,719
Investments	15	-	-	9	9
		<u>33,721</u>	<u>44,398</u>	<u>7,723</u>	<u>8,728</u>
CURRENT ASSETS					
Debtors	16	81,871	295,108	156,804	278,035
Cash at bank and in hand		567,138	421,904	141,322	200,227
Total Current Assets		<u>649,009</u>	<u>717,012</u>	<u>298,126</u>	<u>478,262</u>
Liabilities					
Creditors falling due within one year	17	(45,455)	(232,240)	(21,125)	(222,601)
Net Current Assets/(Liabilities)		<u>603,554</u>	<u>484,772</u>	<u>277,001</u>	<u>255,661</u>
Total assets less current liabilities		637,275	529,170	284,724	264,389
Net assets		<u>637,275</u>	<u>529,170</u>	<u>284,724</u>	<u>264,389</u>
The funds of the charity:					
Unrestricted funds	18 & 19	303,784	370,086	201,122	207,731
Restricted funds	18 & 19	333,491	159,084	83,602	56,658
		<u>637,275</u>	<u>529,170</u>	<u>284,724</u>	<u>264,389</u>

The Trustees have prepared group accounts in accordance with Section 398 of the Companies Act 2006 and Section 138 of the Charities Act 2011. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

These accounts were approved by the Board of Directors and Trustees on 31 March 2021 and signed on its behalf by:



..... J D'Angelo (Chairperson)

Company Registration No: 05101121

The notes on pages 13 to 29 form part of these accounts.

STAKEHOLDER DEMOCRACY NETWORK
(Limited by guarantee)

STATEMENT OF CASH FLOWS AND CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR 30TH APRIL 2020

	Notes	GROUP 2020 £	GROUP 2019 £	CHARITY 2020 £	CHARITY 2019 £
Cash (outflow) / inflow in operating activities	21	<u>153,103</u>	<u>103,891</u>	<u>(58,200)</u>	<u>19,603</u>
Cash flows from investing activities					
Interest income		128	164	59	45
Purchase of tangible fixed assets		(7,997)	(29,122)	(763)	(4,368)
Cash provided by / (used in) investing activities		<u>(7,869)</u>	<u>(28,958)</u>	<u>(704)</u>	<u>(4,323)</u>
Increase / (decrease) in cash & cash equivalents in the year		<u>145,234</u>	<u>74,933</u>	<u>(58,904)</u>	<u>15,280</u>
Cash & cash equivalents at the beginning of the year		421,904	346,971	200,227	184,947
Total cash & cash equivalents at the end of the year		<u><u>567,138</u></u>	<u><u>421,904</u></u>	<u><u>141,323</u></u>	<u><u>200,227</u></u>

STAKEHOLDER DEMOCRACY NETWORK
(Limited by guarantee)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 APRIL 2020

1. ACCOUNTING POLICIES

1.1 Basis of preparation of accounts

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charity SORP (FRS 102) Revised), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The group has opted for an early adoption of Charity SORP (FRS 102) Revised.

Stakeholder Democracy Network meets the definition of a public benefit entity under FRS 102.

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

1.2 Preparation of accounts on a going concern basis

The Group's Financial Statements show net surplus before gains on consolidation of £157,992 for the year and unspent reserves of £637,275. The trustees are continuing to secure further funding and consider that the group will have sufficient resources for the next 12 months and on this basis the group is a going concern.

1.3 Group financial statements

The group financial statements consolidate the accounts of Stakeholder Democracy Network (the 'company') and its subsidiaries, Citizens Direct Network Limited and Niger Delta Stakeholders Initiative for Community Development and Empowerments. The Directors have taken advantage of the provisions of Section 408 of the Companies Act 2006 and do not present an individual profit and loss account for the company.

1.4 Income

Income is recognised when the group has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and amount can be measured reliably.

- Income received by way of grants, donations and legacies are included in full in the Statement of Financial Activities when received, unless they relate to a specified future period, in which case they are deferred.
- Income from charitable activities received by way of revenue grants and donations are credited to restricted incoming resources on the earlier date of when they are received or when they are receivable, unless they relate to a specified future period, in which case they are deferred.
- Grants, donations and legacies of general nature which are not conditional on delivering certain levels of service are included as part of Grants, Donations and Legacies as shown under note 2 and 3.
- Membership fees are credited to incoming resources in the period to which they relate.
- Facility hire income is recognised as earned (that is, as the related goods or services are provided)
- Investment income is included when receivable.
- Income from activities includes income recognised as earned (as the related goods and services are provided) under contract. Course fees received in advance for the subsequent year are recognised as deferred income until the following year.

1.5 Volunteers and donated services and facilities

Donated professional services and donated facilities are recognised as income when the group has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the group of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refers to the trustees' annual report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the group which is the amount the group would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt. No such donations were received during the year.

STAKEHOLDER DEMOCRACY NETWORK
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NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 30 APRIL 2020

1.6 Expenditure recognition and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:

- (a) Costs of generating funds are those cost incurred in attracting voluntary income, running a bar and those incurred in other trading activities that raise funds.
- (b) Expenditure on charitable activities includes the costs directly associated holding classes, events and running a sailing centre, to further the purposes of the group and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Expenditure is recognised when a liability is incurred. Contractual arrangements and performance related grants are recognised as goods or services are supplied.

1.7 Allocation of support costs

Support costs are those functions that assist the work of the group but do not directly undertake charitable activities. Support costs include back office costs, finance and administration personnel, payroll and governance costs which support the group's programmes and activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The basis on which support costs have been allocated are set out in note 6 and 8.

1.8 Funds structure

The general fund comprises those monies, which may be used toward meeting the charitable objectives of the company at the discretion of the Management Board.

The restricted funds are monies raised for, and their use restricted to, a specific purpose or donations subject to donor imposed conditions.

1.9 Tangible Fixed Assets And Depreciation

Tangible fixed assets are stated at cost less depreciation. Individual fixed assets costing £500 or more are capitalised at cost.

Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures, fittings & equipment	- 20% Net book value
Motor vehicle	- 25% Net book value

1.10 Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.11 Cash at bank and in hand

Cash at bank and in hand includes cash deposits and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.12 Creditors and provisions

Creditors and provisions are recognised where the group has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

STAKEHOLDER DEMOCRACY NETWORK
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NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 30 APRIL 2020

1.13 Financial instruments

The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.14 Judgement and key sources of estimation uncertainty

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

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

2. GRANTS, DONATIONS AND LEGACIES INCOME

	GROUP			
	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Miscellaneous donations	26,442	-	26,442	14,899
	<u>26,442</u>	<u>-</u>	<u>26,442</u>	<u>14,899</u>

	CHARITY			
	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Nigel Delta Stakeholders Initiative for Community Development and Empowerment	54,491	-	54,491	112,422
Miscellaneous donations	520	-	520	4,742
	<u>55,011</u>	<u>-</u>	<u>55,011</u>	<u>117,164</u>

The donations income in 2019 totalling £14,899 for the Group and £117,164 for the Charity was attributed to unrestricted funds and £nil to restricted funds.

STAKEHOLDER DEMOCRACY NETWORK
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NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 30 APRIL 2020

3. GRANTS AND CONTRACTS INCOME – GROUP

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Netherlands Embassy - Environment & Governance	-	289,828	289,828	49,338
Netherlands Embassy - HYPREP Monitoring	-	189,151	189,151	-
Oxford Policy Management	130,557	-	130,557	193,908
Commonwealth Foundation	-	14,964	14,964	14,964
Foreign & Commonwealth Office	-	760,451	760,451	889,805
McArthur Foundation	-	205,534	205,534	70,483
SACE	-	-	-	15,650
The United Nations Democracy Fund	-	106,689	106,689	35,859
SOAS	37,127	-	37,127	-
DFID - Elections Observation	-	-	-	466,317
DFID - Covid 19	-	84,242	84,242	-
OSIWA	-	-	-	145,783
Yar'Adua Foundation	-	64,249	64,249	-
	<u>167,684</u>	<u>1,715,108</u>	<u>1,882,792</u>	<u>1,882,107</u>

Grants and contracts income in 2019 totalling £1,882,107 consist of £189,596 unrestricted funds and £1,692,511 restricted funds.

GRANTS AND CONTRACTS INCOME – CHARITY

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Oxford Policy Management	130,556	-	130,556	189,596
Commonwealth Foundation	-	14,964	14,964	14,964
Foreign & Commonwealth Office	-	760,451	760,451	889,805
McArthur Foundation	-	205,534	205,534	70,483
The United Nations Democracy Fund	-	106,689	106,689	35,859
SOAS	37,127	-	37,127	-
	<u>167,683</u>	<u>1,087,638</u>	<u>1,255,321</u>	<u>1,200,707</u>

Grants and contracts income in 2019 totalling £1,200,707 consist of £189,596 unrestricted funds and £1,011,111 restricted funds.

4. TAXATION

Stakeholder Democracy Network is a registered charity in the UK and its subsidiary Niger Delta Stakeholders Initiative for Community Development and Empowerments is a not for profit company registered in Nigeria. Therefore, both are exempt from corporation tax on income and gains to the extent they are applied to its charitable objects.

Its other Nigerian subsidiary Citizens Direct Network resumed trading as a 'for profit' organisation from 1 May 2018. Therefore, it is liable to Nigerian corporation tax on chargeable profit and gains from that date. There is no tax liability for the year due to losses suffered in the year.

STAKEHOLDER DEMOCRACY NETWORK
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NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 30 APRIL 2020

5. NET INCOME FROM TRADING ACTIVITIES OF SUBSIDIARY

During the year, the Charity has two subsidiaries as follows:

- (1) Citizens Direct Network Limited, a company registered with the Corporate Affairs Commission (CAC) in the Federal Republic of Nigeria. The subsidiary was incorporated on 5 October 2009 with the company number 847695. The Charity owns 100% of the shares in the subsidiary company. The initial purpose of the subsidiary is to aid Stakeholder Democracy Network carry out their objectives in Nigeria. From 1 May 2019 the subsidiary resume to being a 'for profit' trading company.
- (2) Niger Delta Stakeholders Initiative for Community Development and Empowerments is a company limited by guarantee registered with the Corporate Affairs Commission (CAC) in the Federal Republic of Nigeria. The subsidiary was incorporated on 29 October 2014 with the company number CAC/IT/NO73022 and commenced its operation on September 2019. The Charity is the ultimate controlling party of the subsidiary company as it has control over its operations as prescribed by the subsidiary's constitution. The purpose of the subsidiary is to aid Stakeholder Democracy Network carry out their objectives in Nigeria.

Set out below is a summary of the subsidiary's results before intra group adjustments for the year.

	CDN trading company (for profit) £	NDSICDE charitable subsidiary £	Total 2020 £	CDN trading company (for profit) £	NDSICDE charitable subsidiary £	Total 2019 £
Income						
Grants, donations and legacies	-	248,297	248,297	-	200,126	200,126
<i>Income from charitable activities:</i>						
Grants and contracts	-	633,890	633,890	-	746,550	746,550
Other	-	-	-	-	-	-
<i>Income from trading activities</i>						
Other	8,353	-	8,353	7,136	-	7,136
<i>Investment income:</i>						
Bank Interest	-	69	69	1	118	119
Income	8,353	882,256	890,609	7,137	946,794	953,931
Expenditure						
<i>Expenditure on charitable activities</i>		(734,758)	(734,758)		(862,248)	(862,248)
<i>Expenditure on trading activities</i>	(9,159)	-	(9,159)	(8,768)	-	(8,768)
Total expenditure	(9,159)	(734,758)	(743,917)	(8,768)	(862,248)	(871,016)
Net income/(expenditure) and net movement in funds for the year before transfers	(806)	147,498	146,692	(1,631)	84,546	82,915
Transfers between funds	-	-	-	-	-	-
Net income/(expenditure) and net movement in funds for the year after	(806)	147,498	146,692	(1,631)	84,546	82,915
Gains / (losses) on consolidation	(637)	(18,325)	(18,962)	1,055	15,359	16,414
Net movements of funds	(1,443)	129,173	127,730	(576)	99,905	99,329
Reconciliation of funds						
Total funds brought forward	15,454	243,177	258,631	16,030	143,272	159,302
Total funds, carried forward	14,011	372,350	386,361	15,454	243,177	258,631

STAKEHOLDER DEMOCRACY NETWORK
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NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 30 APRIL 2020

6. ANALYSIS OF EXPENDITURE – GROUP

	Basis of allocation	Capacity Building & Awareness Raising £	Governance £	Total 2020 £	Total 2019 £
Costs directly allocated to activities:					
Staff costs	Direct	553,728	-	553,728	476,439
Consultancy	Direct	305,441	-	305,441	418,562
Travel and motor expenses	Direct	199,760	-	199,760	138,720
Premises	Direct	86,206	-	86,206	63,528
Sub-contract to partners	Direct	-	-	-	-
Other direct costs	Direct	243,585	-	243,585	307,931
Donations and grants (Note 10)	Direct	76,188	-	76,188	20,132
Support costs (Note 7)		267,757	-	267,757	355,283
Governance costs (Note 7)		-	17,899	17,899	14,022
Total resources expended		1,732,665	17,899	1,750,564	1,794,617

Of the £1,750,550 expenditure in 2020 (2019 - £1,794,617), £197,400 was charged to unrestricted funds (2019 - £69,656) and £1,553,164 to restricted funds (2019 - £1,724,959).

7. ANALYSIS OF SUPPORT AND GOVERNANCE COSTS - GROUP

The Group initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. All the general support and governance costs have been apportioned to the various charitable activities on the basis of transactions, allocated to each activity.

	Support costs £	Governance costs £	2020 £	2019 £
General and office finance staff	68,281		68,281	60,253
Premises	23,529	-	23,529	40,545
Staff training and subsistence	18,920	-	18,920	3,373
Reference material and subscription	-	-	-	1,097
Travel, accommodation and insurance	57,178	2,831	60,009	101,995
Professional fees	8,468	-	8,468	8,351
Office supplies and communications	19,998	-	19,998	44,509
Computer and Information technology	3,103	-	3,103	4,595
Depreciation	17,538	-	17,538	14,360
Other	27,910	-	27,910	15,087
Advertising	500	-	500	21,575
Bank charges	3,938	-	3,938	4,929
Foreign exchange (gains) / loss	13,015	-	13,015	1,738
Entertainment	1,199	-	1,199	26,221
Repairs and maintenance	4,166	-	4,166	8,470
Audit fees	-	15,068	15,068	12,207
	267,743	17,899	285,642	369,305

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NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 30 APRIL 2020

8. ANALYSIS OF EXPENDITURE – CHARITY

	Basis of allocation	Nigerian Subsidiary £	Capacity Building & Awareness Raising £	Governance £	Total 2020 £	Total 2019 £
Costs directly allocated to activities:						
Staff costs	Direct	155,203	273,121	-	428,324	343,054
Consultancy	Direct	-	202,303	-	202,303	397,954
Travel and motor expenses	Direct	12,448	199,760	-	212,208	150,570
Premises	Direct	22,576	39,593	-	62,169	39,454
Sub-contract to partners	Direct	-	-	-	-	-
Other direct costs	Direct	9,307	209,232	-	218,539	111,440
Donations and grants (Note 10)	Direct	-	30,058	-	30,058	17,255
Support costs (Note 9)		17,245	107,230	-	124,475	162,764
Governance costs (Note 9)		-	-	11,981	11,981	10,215
		<u>216,779</u>	<u>1,061,297</u>	<u>11,981</u>	<u>1,290,057</u>	<u>1,232,706</u>

Of the £1,290,057 expenditure in 2020 (2019 - £1,232,706), £221,873 was charged to unrestricted funds (2019 - £229,192) and £1,068,184 to restricted funds (2019 - £1,003,514).

9. ANALYSIS OF SUPPORT AND GOVERNANCE COSTS – CHARITY

The Charity initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. All the general support and governance costs have been apportioned to the various charitable activities on the basis of a proportion of direct costs, allocated to each activity.

	Support costs £	Governance costs £	2020 £	2019 £
General and office finance staff	81,232	-	81,232	78,630
Premises	15,051	-	15,051	33,256
Staff training and subsistence	873	-	873	263
Reference material and subscription	-	-	-	1,097
Travel, accommodation and insurance	4,009	2,831	6,840	3,492
Legal and professional fees	4,811	-	4,811	2,922
Office supplies and communications	3,423	-	3,423	13,100
Computer and Information technology	3,103	-	3,103	4,595
Depreciation	1,770	-	1,770	337
Other	-	-	-	1,047
Advertising	500	-	500	21,575
Bank charges	2,020	-	2,020	2,503
Foreign exchange (gains) / loss	7,683	-	7,683	1,762
Audit fees	-	9,150	9,150	8,400
	<u>124,475</u>	<u>11,981</u>	<u>136,456</u>	<u>172,979</u>

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NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 30 APRIL 2020

10. GRANTS PAYABLE

Grants payable represents grants made to institutions to support activities in the Niger Delta area.

	GROUP		CHARITY	
	2020	2019	2020	2019
	£	£	£	£
Pax Viva	-	17,255	-	17,255
Nigerian Women Trust Fund	46,130	2,877	-	-
Bayelsa Non-Governmental Organisations Forum	10,538	-	10,538	-
Pax Viva Foundation	7,699	-	7,699	-
International Institute of Tropical Agriculture (IITA)	985	-	985	-
Ken Saro-Wiwa Innovation Hub Start-Ups	5,703	-	5,703	-
Bayelsa Community Rice Mill	5,133	-	5,133	-
	<u>76,188</u>	<u>20,132</u>	<u>30,058</u>	<u>17,255</u>

11. NET INCOME / (EXPENDITURE) FOR THE YEAR

This is stated after charging:

	2020	2019
	£	£
Depreciation	17,552	14,360
Audit fee	15,068	12,207
	<u>15,068</u>	<u>12,207</u>

12. ANALYSIS OF STAFF COSTS, TRUSTEES REMUNERATION AND EXPENSES, AND COST OF KEY MANAGEMENT PERSONNEL

STAFF COSTS

	2020	2019
	£	£
Salaries	482,229	446,531
Social security	50,329	55,709
Pension	46,974	29,324
	<u>579,532</u>	<u>531,564</u>

The number of employees receiving employee benefits (excluding employer national insurance and employer pension costs) in excess of £60,000 during the year are as follows:

	2020	2019
	number	number
£60,000 - £69,999	1	-
	<u>1</u>	<u>-</u>

The key management personnel based in the UK are the Executive Director, Chief Financial Officer and the UK Programmes Director. The key management personnel based in Nigeria are the Nigeria Country Director, Nigerian Programmes Manager and the Finance & Admin Manager. The total employee benefits of the key management personnel of the group both in the UK and Nigeria were £282,357 (2019 - £251,795).

No Trustee received any remuneration during the year (2019 - £nil). During the year, three trustees received reimbursed expenses totalling £2,831 to cover their travel expenses to trustees meetings throughout the year (2019 - £6,717).

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NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 30 APRIL 2020

13. STAFF NUMBERS

The average monthly number of staff employed, calculated as full time equivalent, during the year was as follows:

	2020	2019
Direct charitable work	19	17
Administrative work	19	17
Total	<u>38</u>	<u>34</u>

14. TANGIBLE FIXED ASSETS – GROUP AND CHARITY

GROUP:

2020
£

2019
£

NET BOOK VALUES

Office equipment	27,206	33,385
Motor vehicle	6,515	11,013
	<u>33,721</u>	<u>44,398</u>

MOVEMENTS IN YEAR

Cost	Opening Balances £	Additions/ (Disposals) £	Disposal/ fx difference £	Closing Balances £
Office equipment	82,911	7,997	(4,941)	85,967
Motor vehicle	30,161	-	-	30,161
	<u>113,072</u>	<u>7,997</u>	<u>(4,941)</u>	<u>116,128</u>

Depreciation

	Opening Balances £	Charge For Year / (Elimination on disposal) £	Impairment / fx difference £	Closing Balances £
Office equipment	49,526	12,783	(3,548)	58,761
Motor vehicle	19,148	4,745	(247)	23,646
	<u>68,674</u>	<u>17,528</u>	<u>(3,795)</u>	<u>82,407</u>

CHARITY:

2020
£

2019
£

NET BOOK VALUES

Office equipment	7,702	8,719
	<u>7,702</u>	<u>8,719</u>

MOVEMENTS IN YEAR

Cost	Opening Balances £	Additions £	Disposals £	Closing Balances £
Office equipment	11,333	763	(100)	11,996
	<u>11,333</u>	<u>763</u>	<u>(100)</u>	<u>11,996</u>
Depreciation	Opening Balances £	Charge For Year £	Disposals £	Closing Balances £
Office equipment	2,614	1,756	(77)	4,293
	<u>2,614</u>	<u>1,756</u>	<u>(77)</u>	<u>4,293</u>

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NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 30 APRIL 2020

15. FIXED ASSET INVESTMENTS – GROUP AND CHARITY

	GROUP		CHARITY	
	2020	2019	2020	2019
	£	£	£	£
Investment at cost	-	-	9	9

The investment shown above represents the cost of the entire issued share capital of one subsidiary undertaking, Citizens Direct Network Limited, a company incorporated in the Federal Republic of Nigeria.

The other subsidiary undertaking, Niger Delta Stakeholders Initiative for Community Development and Empowerments, is an incorporated company limited by guarantee in the Federal Republic of Nigeria. There is no share capital in a “limited by guarantee” company.

The combined results for both subsidiaries are set out in note 5.

16. DEBTORS – GROUP AND CHARITY

	GROUP		CHARITY	
	2020	2019	2020	2019
	£	£	£	£
Trade debtors and accrued income	78,203	282,186	66,994	217,327
Staff loan	599	4,635	-	-
Other debtors and prepayments	3,068	8,287	3,068	3,014
Amount owed by subsidiaries	-	-	86,742	57,694
	<u>81,871</u>	<u>295,108</u>	<u>156,804</u>	<u>278,035</u>

17. CREDITORS FALLING DUE WITHIN ONE YEAR – GROUP AND CHARITY

	GROUP		CHARITY	
	2020	2019	2020	2019
	£	£	£	£
Trade creditors	16,072	865	-	-
Taxation and social security	1,169	8,794	-	8,306
Deferred income (Note 22)	-	164,349	-	164,349
Accruals	21,214	56,227	14,125	47,941
Amounts owed to subsidiaries	-	-	-	-
Other creditors	7,000	2,005	7,000	2,005
	<u>45,455</u>	<u>232,240</u>	<u>21,125</u>	<u>222,601</u>

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NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 30 APRIL 2020

18. ANALYSIS OF CHARITABLE FUNDS – GROUP

	Balance at 01.05.19 £	Income £	Expenditure £	Transfer £	Balance at 30.04.20 £
Restricted Funds:					
Netherlands Embassy - Environment & Governance	-	289,828	(235,254)	-	54,574
Netherlands Embassy - HYPREP Monitoring	-	189,151	(41,874)	-	147,277
Commonwealth Foundation	-	14,964	(22,454)	7,490	-
Foreign & Commonwealth Office	24,113	760,451	(782,997)	-	1,567
McArthur Foundation	3,342	205,534	(136,590)	-	72,286
The United Nations Democracy Fund	29,203	106,689	(126,143)	-	9,749
DFID - Elections Observation	3,692	-	(19,024)	15,332	-
OSIWA	98,734	-	(101,182)	2,448	-
DFID Covid-19	-	84,242	(46,293)	-	37,949
Yar'Adua Foundation	-	64,249	(54,160)	-	10,089
Total restricted funds	159,084	1,715,108	(1,565,971)	25,270	333,491
Unrestricted Funds:					
General funds	370,086	202,607	(243,639)	(25,270)	303,784
Total Funds:	529,170	1,917,715	(1,809,610)	-	637,275

Total expenditure of £1,809,610 included exchange gain on consolidation of £49,887.

Transfer of £25,270 made from unrestricted funds to Commonwealth Foundation, DFID – Election Observation and OSIWA represents amounts of core funds used to fund the project before monies have been forwarded to the Charity by the funder.

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NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 30 APRIL 2020

18. ANALYSIS OF CHARITABLE FUNDS – GROUP (CONT/D)

Analysis of movements in funds - previous year

	Balance at 01.05.18 £	Income £	Expenditure £	Transfer £	Balance at 30.04.19 £
Restricted Funds:					
Netherlands Embassy - Environment & Governance	73,085	49,338	(190,078)	67,655	-
Oxford Policy Management	-	4,312	(10,379)	6,067	-
Commonwealth Foundation	10,246	14,964	(25,758)	548	-
Foreign & Commonwealth Office	13,430	889,805	(879,122)	-	24,113
McArthur Foundation	24,837	70,483	(91,978)	-	3,342
SACE	-	15,650	(11,314)	(4,336)	-
The United Nations Democracy Fund	-	35,859	(6,656)	-	29,203
DFID - Elections Observation	-	466,317	(462,625)	-	3,692
OSIWA	-	145,783	(47,049)	-	98,734
Comic Relief - CMAP	630	-	(630)	-	-
NSRP - British Council	456	-	(456)	-	-
The State of the Netherlands	16,972	-	(16,972)	-	-
Total restricted funds	139,656	1,692,511	(1,743,017)	69,934	159,084
Unrestricted Funds:					
General funds	270,994	211,795	(42,769)	(69,934)	370,086
Total Funds:	410,650	1,904,306	(1,785,786)	-	529,170

Total expenditure of £1,785,586 included exchange gain on consolidation of £9,829.

Transfer of £548 made from Unrestricted funds to Commonwealth Foundation and £6,067 to Oxford Policy Management represents amounts of core funds used to fund overspending in the projects. Transfer of £67,655 made from Unrestricted funds to Netherlands Embassy - Environment & Governance represents amounts of core funds used to fund the project before monies have been forwarded to the Charity by the funder. Transfer of £4,336 from SACE to core fund represents surplus of funds that do not need to be refunded to SACE.

19. ANALYSIS OF CHARITABLE FUNDS – CHARITY

	Balance at 01.05.19 £	Income £	Expenditure £	Transfer £	Balance at 30.04.20 £
Restricted Funds:					
Commonwealth Foundation	-	14,964	(22,454)	7,490	0
Foreign & Commonwealth Office	24,113	760,451	(782,997)	-	1,567
McArthur Foundation	3,342	205,534	(136,590)	-	72,286
The United Nations Democracy Fund	29,203	106,689	(126,143)	-	9,749
Total restricted funds	56,658	1,087,638	(1,068,184)	7,490	83,602
Unrestricted Funds:					
General funds	207,731	222,754	(221,873)	(7,490)	201,122
Total unrestricted funds	207,731	222,754	(221,873)	(7,490)	201,122
Total Funds:	264,389	1,310,392	(1,290,057)	0	284,724

Transfer of £7,490 from unrestricted funds to Commonwealth Foundation represents amounts of core funds used to fund overspending in the project.

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FOR THE YEAR ENDED 30 APRIL 2020

19. ANALYSIS OF CHARITABLE FUNDS – CHARITY (CONT/D)

Analysis of movements in funds - previous year

	Balance at 01.05.18 £	Income £	Expenditure £	Transfer £	Balance at 30.04.19 £
Restricted Funds:					
Commonwealth Foundation	10,246	14,964	(25,758)	548	-
Foreign & Commonwealth Office	13,430	889,805	(879,122)		24,113
McArthur Foundation	24,837	70,483	(91,978)	-	3,342
The United Nations Democracy Fund	-	35,859	(6,656)		29,203
Total restricted funds	48,513	1,011,111	(1,003,514)	548	56,658
Unrestricted Funds:					
General funds	130,666	306,805	(229,192)	(548)	207,731
Total unrestricted funds	130,666	306,805	(229,192)	(548)	207,731
Total Funds:	179,179	1,317,916	(1,232,706)	-	264,389

Transfer of £548 from unrestricted funds to Comic Relief represents amounts of core funds used to fund overspending in the project.

Description, nature and purpose of funds:

Fund	Purpose and restrictions in use
Netherlands Embassy – Environment & Governance	This project combines advocacy and social accountability approaches to achieve two main objectives: 1) to promote the clean-up of the Niger Delta and prevent oil spills and gas flaring, through improved environmental regulation and enforcement. Our work includes government engagement and a public campaign to call for improved legislation (particularly the separation of environmental regulation from other aspects of oil industry regulation); promoting compliance with best practice in oil pollution response, clean-up and compensation; and improving the capacity of the Ministry of Environment to enforce regulation. SDN also supports the Bodo Mediation Initiative, which is facilitating the oil spill clean-up in Bodo community, Gokana Local Government Area. 2) to promote good governance, particularly through greater budget transparency and accountability, and working towards free and fair elections. SDN's approach includes working directly with communities to engage with government, hold them to account, and increase citizen participation in government decision making.
Netherlands Embassy – HYPREP Monitoring	Millions of barrels of oil have been spilled in the Niger Delta, and little has been done to ensure it is properly cleaned up. This has had a severe impact on the environment, on health and on livelihoods, exacerbating development challenges in the region. This project will strengthen the ability of civil society to hold the Federal Government of Nigeria to account for a major clean-up of oil spills in the Niger Delta, focusing on the Ogoniland clean-up resulting from more than fifty years of oil spills in the region. It will do this by running an independent monitoring initiative to scrutinise the progress of the clean-up and make this information more accessible to the public. The project is to be delivered over a five-year period, implemented in parallel to the clean-up activities of HYPREP over the next five years.

STAKEHOLDER DEMOCRACY NETWORK
(Limited by guarantee)

NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 30 APRIL 2020

19. ANALYSIS OF CHARITABLE FUNDS – CHARITY (CONT/D)

Commonwealth Foundation	A project that brings musicians, producers and scholars together with local artists and writers through production and performance sessions: sharing skills and experience, making new music and encouraging debate on locally significant issues, from forced evictions to election violence. Sessions-in-the-Shed will make the socially excluded margins of the city a centre of musical creativity and connection.
Foreign & Commonwealth Office	Through this project, SDN aims to promote stability in the Niger Delta. Our approach combines research, consultation and the implementation of pilot projects to identify and support alternative approaches to stabilisation and development in the region. The lessons are presented to decision-makers at the state, federal and international level, to outline opportunities for scale-up and replication of the innovative approaches in their own activities and policies. The project focuses on Bayelsa, Delta and Rivers states.
McArthur Foundation	This project aims to improve mutual accountability between electricity providers and consumers in Nigeria, and thereby reduce corruption in the industry. It does this through building engagement between electricity customers, distribution companies and regulators, and by promoting greater uptake of reporting mechanisms to prevent fraud. The use of radio shows, town hall meetings and social media are key components of this project. The project is being implemented in Edo and Delta states, and includes key engagements with the Benin Electricity Distribution Company (BEDC).
SACE	This project aims to promote transparency and accountability in electricity distribution by improving engagement between customers and Port Harcourt Electricity Distribution (PHED) Company. In particular, we aim to develop a complaints reporting and resolution mechanism with PHED using a mobile app, to enable customers to report problems with electricity supply and track PHED's response.
The United Nations Democracy	Elections in Nigeria, and especially in its oil-producing Niger Delta states, have in the past been disputed and given rise to violence. One of these states, Bayelsa, held elections to choose a new governor in 2020 in what was expected to be a hotly contested election. The project aimed to minimize the risk of dispute and help to ensure the election was free, fair, and credible. It supported the Independent Nigerian Electoral Commission to train staff engaged to oversee polling in at-risk areas so their procedures were effective.
DFID – Elections Observation	This project supported the improved conduct of elections in the Niger Delta. It helped enable INEC, the police and other relevant actors to respond more effectively to electoral fraud and violence, through the provision of high-quality reporting and proactive engagement on observed election risks. Building on previous work by SDN and other organisations involved in observation and documenting electoral incidents in the Niger Delta, the project trained citizen observers to report on indicators of electoral fraud, violence and manipulation. Coordinating with existing civil society initiatives under the umbrella of the Civil Society Situation Room, we worked with the Armed Conflict Location & Event Database Project and Democracy Reporting International to train observers and produce high quality election observation reports.

STAKEHOLDER DEMOCRACY NETWORK
(Limited by guarantee)

NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 30 APRIL 2020

19. ANALYSIS OF CHARITABLE FUNDS – CHARITY (CONT/D)

OSIWA

This project aims to contribute to the promotion of gender equality in political representation and decision-making in Rivers State, and to contribute to greater understanding of women's status in politics across Akwa Ibom, Bayelsa and Rivers states. It involves consulting women across Rivers State on their priorities in advance of the 2020 elections and working with women's groups to engage with electoral candidates on these policy priorities. We will also be working with the Nigeria Women's Trust Fund to conduct research across the three states to generate original research and greater understanding of the status of women's political engagement and the barriers they face to entering politics in the Niger Delta, and to establish a mentoring scheme for young women interested in entering politics.

DFID Covid-19

This project aims to contribute to wider efforts to slow and minimise transmission of COVID-19 and to mitigate the negative social, economic and security impacts of the virus and the response to it. It will compliment existing public health messaging by undertaking activities which improve communication of these messages to hard-to-reach communities in the Niger Delta. It will support the state government response to COVID-19 by ensuring that they are briefed on community perceptions and impacts – and also through tracking of actions of security agencies and non-state armed groups to assess security risks. It will also seek to improve on outcomes by improving engagements with non-government actors, including the private sector focusing on both co-ordination and the mobilization of resources.

Yar'Adua Foundation

The purpose of this project was to increase and improve the level of engagement between the Niger Delta Development Commission (NDDC) and citizens in Rivers state, as a way of working towards improved delivery of public services and greater transparency and accountability in the work of government. Specifically, the project aimed to increase citizens' and activists' capacity to demand and hold government/institutions accountable, track project implementation carried out by NDDC, and bridge the communication gap between citizens and duty bearers through the use of innovative interactive interfaces and technology.

STAKEHOLDER DEMOCRACY NETWORK
(Limited by guarantee)

NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 30 APRIL 2020

20. ANALYSIS OF GROUP ASSETS BETWEEN FUNDS – GROUP AND CHARITY

GROUP	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Fixed assets	33,721	-	33,721	44,398
Net current assets	270,063	333,491	603,554	484,772
	<u>303,784</u>	<u>333,491</u>	<u>637,275</u>	<u>529,170</u>
CHARITY				
Fixed assets	7,702	-	7,702	8,719
Net current assets	193,420	83,602	277,022	255,670
	<u>201,122</u>	<u>83,602</u>	<u>284,724</u>	<u>264,389</u>

Analysis of net assets between funds - previous year

GROUP	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Fixed assets	44,398	-	44,398	29,539
Net current assets	325,688	159,084	484,772	381,111
	<u>370,086</u>	<u>159,084</u>	<u>529,170</u>	<u>410,650</u>
CHARITY				
Fixed assets	8,719	-	8,719	6,310
Net current assets	199,012	56,658	255,670	172,869
	<u>207,731</u>	<u>56,658</u>	<u>264,389</u>	<u>179,179</u>

STAKEHOLDER DEMOCRACY NETWORK
(Limited by guarantee)

NOTES TO THE ACCOUNTS (Cont/d)

FOR THE YEAR ENDED 30 APRIL 2020

21. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASHFLOW FROM OPERATING ACTIVITIES – GROUP AND CHARITY

	GROUP		CHARITY	
	2020	2019	2020	2019
	£	£	£	£
Net movement in funds	108,105	118,520	20,335	85,210
Add back depreciation/loss on disposal/impairment	18,674	14,263	1,769	1,959
Deduct interest income shown in investment activities	(128)	(164)	(59)	(45)
Decrease / (increase) in debtors	213,237	12,827	121,231	15,966
Increase / (decrease) in creditors	(186,785)	(41,555)	(201,476)	(83,487)
Net cash (outflow) / inflow in operating activities	<u>153,103</u>	<u>103,891</u>	<u>(58,200)</u>	<u>19,603</u>

22. DEFERRED INCOME – GROUP AND CHARITY

	GROUP		CHARITY	
	2020	2019	2020	2019
	£	£	£	£
Balance as at 1st May 2019	164,349	208,930	164,349	208,930
Amount released to income in the year	(164,349)	(208,930)	(164,349)	(208,930)
Amount deferred in the year	-	164,349	-	164,349
Balance as at 30th April 2020	<u>-</u>	<u>164,349</u>	<u>-</u>	<u>164,349</u>

There is no deferred income at the year end.

Last year's deferred income represents grant income received from The Foreign & Commonwealth Office totalling £164,349. The grant was deferred at the year end as it relates to project expenses specifically for the period after year end.

23. SHARE CAPITAL

The Company is a company limited by guarantee and does not have share capital divided by shares. Under the terms of the Memorandum and Articles of Association each member is liable to contribute a sum not exceeding £1.00 in the event of the company being wound up.