

COMPANY REGISTRATION NUMBER: 02977740  
CHARITY REGISTRATION NUMBER: 1042046

**Demos**  
**Company Limited by Guarantee**  
**Financial Statements**  
**31 December 2022**

**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 2022**

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# Demos

## Company Limited by Guarantee

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

Year ended 31 December 2022

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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 2022.

#### Reference and administrative details

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

#### The trustees

M A Aziz  
I Corfield  
T McAuliffe  
Dame J Mellor (Chair)  
J P Wise  
M A Boo  
A W K Dawson  
D C Robb

<b>Company secretary</b>	Polly Curtis
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<b>Auditor</b>	Burgess Hodgson LLP Chartered accountants & statutory auditor Camburgh House 27 New Dover Road Canterbury Kent CT1 3DN
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**Trustees' Annual Report (Incorporating the Director's Report) *(continued)***  
**Year ended 31 December 2022**

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The trustees present their report and the financial statements for the year ending 31 December 2022.

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 underwent significant renewal in 2022 with a new CEO and a refreshed funding strategy to underpin the ongoing focus on public participation in policy-making and creating a more collaborative democracy.

The former chief executive Polly Mackenzie left the organisation with strong reserves, allowing the incoming chief executive Polly Curtis to focus on diversifying fundraising to create more sustainable future growth in 2023 in order to further amplify the case for a more collaborative democracy.

The team set about diversifying funding for the organisation by introducing new funded networks of events, building more strategic ongoing relationships with funders and creating capacity to double down on how we advocate for, and support others to put people at the heart of policy-making. The aim of these activities is to double down on this focus and "Be More Demos" (as we called the strategy) in all of our activities.

Demos's overarching mission is to put people at the heart of policy-making in order to improve the quality of policy-making but also to improve the quality of trust and legitimacy in our democracy. In 2022 we aligned as an organisation on four core pillars through which to deliver this: public service reform, a more inclusive economy, a healthier internet and a more trusted democracy. As outlined in our activity below, our work is now all consolidating under these four pillars allowing us to tell a powerful and consistent story about Demos's purpose.

There was significant political turmoil in 2022, with the short-lived government led by Liz Truss and uncertainty about the course to a general election. This uncertainty affected fundraising cycles in the short term. With careful cost management we ended the year having protected our reserves and with a new leadership team appointed to double down on participation and policy impact. We re-focused our public positioning on more strategic communications around the Demos purpose, aligning our external activities around our strategy, amplifying our messaging and building deeper cross-party relationships.

There has been strong collaboration between the board and the executive to support Demos's activities through a changing year. As we get into 2023, we are seeing convincing signs that all this activity is paying off with recovering revenues and diversified sources of funding for core activities.

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.

### **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 2022 with a restructured leadership team under the new CEO.

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#### Year ended 31 December 2022

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The overall management of Demos is the responsibility of the Chief Executive who provides leadership to the organisation and specifically leads the development of the strategic direction and public positioning of the charity.

The renewed leadership team structure consists of two new director level roles: a Director of Research and Participation and a Director of Policy and Impact, reflecting our strategic priorities to double down in these areas and strengthen team management. The Head of CASM, Head of Public Policy and Operations Manager complete the leadership team.

Research projects are line-managed by senior staff; a team of researchers undertakes research projects, while the external affairs team manages the programme of events and publicity. They are supported by an operations team and the Chief Financial Officer. 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.

Fundraising was previously spread across the team with junior members encouraged and incentivised to fundraise. In 2022 we refocused this responsibility on the senior team, with development opportunities for junior members, and success rates have improved as a result.

#### **Objectives and activities**

##### **Activities and review**

The new chief executive is aligned with the board and committed to the existing strategy to help build a more collaborative democracy in the United Kingdom by improving the way policy is made and politics is run. But there has been a significant shift in strategy about how to achieve this, focussing on diversifying the funding model in order to ensure that everything Demos does contributes directly to this core purpose.

In a year of change much of the activity went into building this strategic thinking and reinforcing the team to deliver it. We:

- Hired two new directors, for Research and Participation, and Policy and Impact, to deliver the agenda, while stabilising the team through a significant period of transition. Lucy Bush, Director of Research and Participation, comes with extensive experience of participation and deliberative research; Andrew O'Brien, Director of Policy and Impact, has deep influencing experience and adds to our cross-party capacity significantly.
  - Outlined our four pillars of policy focus under the overarching public participation purpose: public service reform, a more inclusive economy, a healthier internet and a more trusted democracy.
  - Focused on the "Be More Demos" strategy, building a funding model that allows us to be more impactful and focused on our mission to create that more collaborative democracy.
  - Built the first new revenue stream for 2023, by designing and funding two new networks of events: The Public Services 2030 Network, and the Good Web Network. We secured eight funders for this core activity, totalling £80,000 in revenue for 2023 (including Google, Good Things Foundation, Reed in Partnership and CIPFA). Through pilots at the end of 2022 we have now hosted frontbenchers across the parties along with hundreds of audience members. By mid 2023 we had used this network to fund a new core programme: The Future Public Service Taskforce, launched in August 2023.
  - Hosted a vibrant, well attended and fully funded conference season with four events at the Conservatives and four at Labour all featuring prominent politicians. We designed the programme that we then fully funded, in keeping with our "Be More Demos" strategy. Discussions included:
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#### Year ended 31 December 2022

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democratic renewal, digital regulation, levelling up and devolution and public service reform. Speakers included Lisa Nandy, Steve Reed and David Lammy. Sir John Curtice, Matt Vickers and Marco Longhi.

- We shifted our media activity to a more tailored and strategic approach to promoting our work and ensuring our key messages are landing with the most impactful stakeholders. Over the course of the year we increased our Twitter impressions and engagements, the dwell time on our website by upping the quality of our self published articles, our media mentions in Q4 and into 2023 and we launched a new newsletter improving the open rate and securing new funding enquiries via that route.
- As the political turmoil of the Autumn subsided we focused on our cross-party political engagement, and have had specific policy impact around our work with the NHS on relational public services. On employment support and the development of a Universal Work Service, we have presented to the government's lead on its employment inquiry as well as the shadow employment secretary Jonathan Ashworth who has referenced in it his plans. More details of our increased influence is included below.

In July 2023 the CEO and chair of trustees commenced talks with another Charity with very similarly aligned objectives operating in the field of political and socio economic research, to look at a possible future integration. Discussions are at an early stage. It is envisaged that if talks do crystallise in some form of formal integration, that such arrangements will be concluded by the end of the calendar year. Trustees were supportive of the discussions and consulted appropriately.

#### Governance and finance

The board and executive enjoyed a strong working relationship in 2022, with support and challenge helping to strengthen the organisation's strategic direction.

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

We worked closely to manage uncertainty around fundraising through the leadership transition and the political turmoil that made the fundraising environment challenging in the second half of the 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.

We shifted our reporting to ensure that we were reporting against metrics that reflected our theory of change, reflecting not just activity but outcomes and longer term impact. We re-evaluated how we assess risk for the organisation to ensure that trustees are confident that they can support the governance of the organisation responsibly.

The board membership was largely stable. Amanda Khozi Mukwashi joined the board, but resigned due to a perceived conflict of interest on being appointed to a new role in the UN. Recruitment is now underway in 2023 to replace her and Ian Corfield, a longstanding board member who is stepping down after two exemplary terms as a trustee.

All policies were reviewed as is required on an annual basis. In 2023 the executive team added a working policy on the use of Generative AI in our work, in line with industry best practice.

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 and the focus on maximising impact bed in despite the change and challenges. The outcome at the end of the year is protected reserves, a stronger strategy

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and a renewed team set up to deliver it.

**Charitable objectives**

Demos's 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

**Achievements and performance**

**Achievements during 2022**

**Public Service Reform**

2022 saw a considerable consolidation and deepening of Demos's approach to public service reform, focussing on Relational Public Services. We published three major reports, as part of our partnership with Capita, to develop our relational public services vision.

In February 2022 we published *Locating Authority: A vision for relational local government*. Developed following deep engagement with citizens, local officials and politicians, this landmark report set out a new vision for local government, founded on the principles of relational welfare. We discussed the findings of the report extensively with key stakeholders, including to council chief executives at the Municipal Journal Future Forum in May 2023.

In April 2022 we published *Working Together: The case for universal employment support*. This report set out a detailed case for a universal, devolved public employment service. We launched the report at an event with Jonathan Ashworth, Shadow Work & Pensions Secretary and the recommendations have significantly influenced Labour's thinking on the issue; in January 2023 Labour set out proposals for localising employment support. Ashworth has subsequently spoken about a "universal employment service", committed to "sweeping reforms of Jobcentres" and devolving employment support to local areas, all building on the policy proposals in our research. Since launching the report, it has been extensively referenced and has shifted the policy debate towards the case for a more universal, localised approach to employment support. Interest in the Universal Work Service concept also led to a partnership with Birmingham City Council to assess employment, skills and careers services on the ground in the local area of East Birmingham and North Solihull, which we published in August 2023.

In May 2022 we published *Move on Upstream: Crime, policing and relationships*. This called for a bold

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new approach to policing and crime prevention, allowing us to finally get upstream in the fight against crime. Our recommendations and analysis received a high level of engagement and coverage, including a standalone write-up in The Times.

With the Public Services 2030 Network forming, we created a strong platform for this work, hosting hundreds of people from across our networks at events to debate how to take this important policy area forward.

#### **Inclusive Economy**

Related to the Universal Work Services outlined above, we built further on this research in support of our inclusive economy agenda, with an investigation into the factors causing over 50s to leave the workforce in November 2022, launched at an event in Parliament. This timely piece of research fed into the wider conversation about economic inactivity and the break this is contributing to on growth in the economy. This work highlighted the need for employers to be more inclusive in their practices in order to contribute to a fair and just economy. It found many older people experience discrimination based on their age of impairments.

Our focus on personal finances and public regulation continued with the annual Good Credit Index, which was published in its fourth iteration, covered exclusively as a news feature on ITV news. We extended this work in 2022 in a project that mapped personal debt across the country, exposing important findings around the levelling up impact.

On the wider levelling up agenda, we investigated there reasons why people chose to leave their home towns in levelling up areas in our report "Movers and stayers", presenting the findings to the Labour shadow cabinet responsible for the agenda.

We hired Andrew O'Brien as Director of Policy and Impact who will lead on this pillar in 2023 and beyond. Andrew comes to us from Social Enterprise UK with wide experience particularly on the ESG policy agenda. We are defining Inclusive Economy as: "An economy where everyone participates and contributes to shared goals and where, as a consequence of that contribution and participation, there is an equitable distribution of the benefits."

#### **Healthier Internet - CASM**

2022 saw the culmination of eighteen months of work to answer the question at the heart of effective digital policymaking: when thinking about the future of the web, what does good look like? As part of an international coalition, we published The Good Web Project, our vision of the Good Web as democratic public digital infrastructure.

We continued working closely with our civil society partners on the Online Safety Bill, advocating for a Bill which would strengthen digital rights and protect privacy while reducing risks of harm to users through tackling upstream design of online platforms: combining research into online harms in political speech with policy analysis and collective calls to action, as well as testifying in Parliamentary Committees to advocate for the interests of citizens.

We also developed our advocacy calling for more action to be taken on gendered disinformation and violence online, as a key democratic and digital rights threat. As a member of the Coalition Against Online Violence, we worked with our partner International Media Support to produce a series of videos about the online threats to women journalists in Moldova and Pakistan. This work fed into high-level international conferences on how to protect the safety of journalists.

And in the autumn, we launched the Good Web Network - bringing together speakers and audiences from civil society, government, industry, regulators and academia to discuss how we can build a better internet. As we moved into 2023, our attentions began to turn to the potential - good and bad - of new forms of generative AI leading to our first project launching on political communications and AI.

#### **More Trusted Democracy**

Our purpose to build a more collaborative democracy was evident across our research agenda - both as a subject we focused on and as a methodology to achieving better policy outcomes. We learnt the lessons from the pandemic for the future of democracy and populism in our report Post Pandemic People Power. We worked with the University of East Anglia to help shape their civic university

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agenda by deploying democracy technology called Pol.is to engage and crowd source ideas from local residents. We investigated the impact of power in the body, and the consequences for policy making, with our fellow Suzanne Alleyne.

We hired Lucy Bush as Director of Research and Participation who will lead on this pillar in 2023 and beyond. Lucy ran the place based practice at the research consultancy Britain Thinks and has unrivalled experience in participative processes across the country. In 2023 she is setting about designing our proposition for participation in order to open up new markets for us to work with in order to fund more work, and enable more people to use participatory techniques. Central to our thinking is the need to ensure there is political purchase on our participatory projects - that we are convince politicians to share the power they have differently as well as just listening to people's insights. This is a central insight that will shape our participatory agenda going forward.

For this reason we focused on deepening our political connections across the parties and ensuring that we understood where the opportunities are to engage on public participation. This mapping work provides the foundations for our 2023 participation agenda.

#### Publications

Titles published during the year include:

**LOCATING AUTHORITY::A VISION FOR RELATIONAL LOCAL GOVERNMENT** Ciaran Cummin's report looked at the challenges of running public services, setting out an approach to local governing that fosters strong relationships.

**'DIVIDE AND LEVEL UP' WON'T TRANSFORM BRITAIN** This paper was produced in response to the government's Levelling Up White Paper, critiquing the influence of partisan politics and fiscal restraint.

**THE BOTTOM LINE: AN INVESTIGATION OF RENT ARREARS IN SOCIAL HOUSING** Maiyora Jayabraba and Ben Glover explored the daily challenges of people struggling to pay rent in time, finding that among the primary drivers of arrears in social housing are low and fluctuating income.

**THE DOUBLE WHAMMY: MAPPING THE UK'S PERSONAL DEBT** Harry Carr overlaid the Demos Good Credit Index with Lowell's Financial Vulnerability Index to investigate the relationship between financial vulnerability and lack of access to affordable credit in the UK.

**REGULATION THE FUTURE OF VAPING** Polly Mackenzie introduced a programme of work looking at how a new approach to regulating the vaping industry could be developed in the UK.

**JOINT SUBMISSION TO THE HUMAN RIGHTS ACT REFORM CONSULTATION** Demos partnered with Fair Vote UK to produce a joint submission to the consultation: Human Rights Reform: A Modern Bill Of Rights.

**POST-PANDEMIC PEOPLE POWER** Ciaran Cummins published a microsite which articulated the experiences of activists during the pandemic to understand what they might tell us about the future of politics in the age of populism, growing division and democratic erosion.

**THE ONLINE SAFETY BILL: DEMOS POSITION PAPER** Ellen Judson set out recommendations to help inform the Parliamentary process around the Online Safety Bill, and explained how a new framework should be established in the event the Bill is passed.

**THE OPEN ROAD: HOW TO BUILD A SUSTAINABLE OPEN INFRASTRUCTURE SYSTEM** Alex

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

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Krasodonski-Jones and Josh Smith set out how governments, civil society and philanthropic organisations can build sustainability in the open infrastructure ecosystem.

**WORKING TOGETHER: THE CASE FOR UNIVERSAL EMPLOYMENT SUPPORT** Andrew Phillips put forward the case for a new Universal Work Service to help the UK tackle the growing number of economically inactive people in the labour market.

**THE GOOD WEB PROJECT** Alex Krasodonski-Jones made the case that in the development of the Internet, some critical democratic functions have been left in the hands of non-democratic actors.

**MYTHS AND MISINFORMATION: MAPPING THE BARRIERS TO SMOKING CESSATION AND THE UPTAKE OF NICOTINE ALTERNATIVES** Alice Dawson and Polly Mackenzie looked at the huge level of misunderstanding around the harms posed by tobacco, as well as the scale of misunderstanding around vaping more generally.

**SAFER BY DESIGN: HOW CAN COLLABORATION HELP DESIGN SAFER GAMBLING** Amelia Stewart and Josh Smith provided an overview of the two roundtables we held with gambling industry representatives, academics, policymakers and charity experts to share insights and reduce gambling-related harm.

**MOVE ON UPSTREAM: CRIME, PREVENTION AND RELATIONSHIPS** Alice Dawson, Amelia Stewart and Polly Mackenzie proposed a new approach to policing which focused on prevention via a new, local authority-based crime prevention service.

**SETTING IN: AN ASSESSMENT OF OPERATION NEW HOPE'S SUPPORT FOR AFGHANS WHO WORKED WITH THE BRITISH ARMED FORCES** We covered the discussions reached at two events which were attended by charity experts, grassroots organisations and sector representatives on how Operation New Hope can work better.

**STRENGTHENING PRIVACY IN THE ONLINE SAFETY BILL** Ellen Judson sets out why the protection of privacy and anonymity in the Online Safety Bill should be strengthened if it's to protect freedom of expression.

**MOVERS AND STAYERS: LOCALISING POWER TO LEVEL UP TOWNS** Courtney Stephenson and Dr Kate Harrison called on the government to re-conceptualise 'stay local, go far' to focus on helping those that choose to stay in their hometowns.

**VOTING ONLINE: HOW WOULD THE ONLINE SAFETY BILL AFFECT HARMS ARISING FROM POLITICAL DISCOURSE** Ellen Judson looked at how a content-moderation first approach is insufficient, and that without upstream changes to platform systems we risk seeing more serious systemic harms.

**VAPING REGULATION IN 2022: IDENTIFYING GAPS IN THE REGULATION OF E-CIGARETTES** Alice Dawson and Josh Smith explored how vaping regulation could be amended to avoid introducing those who don't smoke to nicotine.

**THE COSTS OF CREATION: WHAT IS A FAIR AND DESIRABLE FUTURE FOR MONETISED ONLINE WORK AND VOLUNTEERING?** Ciaran Cummins explored the people who engage in online work for low or no pay to explore what they think is desirable future for the monetising of online labour.

**SANCTUARY UK: REFORMING OUR BROKEN ASYLUM SYSTEM** Polly Mackenzie argued that the Home Office should lose its responsibility for immigration, to be replaced by a new arm's-length body to overhaul the asylum system and create a more humane system.

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

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**UNDERSTANDING 'EARLY EXITERS': THE CASE FOR A HEALTHY AGEING WORKFORCE STRATEGY** Alice Dawson and Andrew Phillips looked at the rise in economic inactivity and proposed the first ever Ageing Workforce Strategy to weaken the link between ill health and older age.

**THE SCIENCE OF POWER IN THE BODY** Suzanne Alleyne explored the links between power, science, human behaviour and policy-making, arguing that power matters for wellbeing.

**PUTTING PEOPLE AT THE HEART OF A TRUE CIVIC UNIVERSITY: THE CASE OF UEA** Ciaran Cummins and Josh Smith looked at how the University of East Anglia can use digital technology to understand what local people really want from a truly civic university.

**THE GOOD CREDIT INDEX 2022** Charlotte Campbell-Nieves, Dr Kate Harrison and Jakub Wisniewski mapped out the access to good credit in the UK, proposing a number of policy recommendations to support those with the highest credit need.

#### 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 2022.

#### FINANCE REVIEW

The results of the year's activity are set out in the attached financial statements. Total incoming resources were £1,131,026: a decrease of £294,332 to the previous year (£1,425,358). Prior to 2017, the majority of income streams are broadly similar year on year ((2016 - £969,023), (2015 - £1,064,870),) Similarly, until 2017, resource expenditure remained relatively consistent (2016 - £1,103,760), (2015 - £1,064,870), (2014 - £1,182,085). 2020 and 2021 showed a significant increase in expenditure, reflecting in the main the significant increase in staff to support new projects undertaken. Expenditure for the year was £1,129,942, compared with £1,395,942 in the prior year showing a return the levels of pre 2020. The fall in expenditure is in line with the fall in income where we are managing costs in an attempt to not deplete our reserves.

#### 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 COV-ID and other factors, the charity will continue to build on this last successful year. The chief executive has taken substantial measures to manage costs and resources and deliver revenues wherever possible, working with the trustees to establish and embed improved governance and financial risk management. The trustees have set an overarching goal to improve net assets, in which the charity holds an appropriate balance of reserves, as soon as possible, recognising that this is likely to be achieved in the medium term.

Trustees have considered the impact of Covid-19 on the charity's ability to continue its work. The pandemic has affected the charity's pipeline of funded projects, but there are still a substantial number of projects in development with funders whose resource allocations will not be affected. At the time of writing, Demos' reserves have more than doubled since the end of 2019. In the event of a serious

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decline in revenues into 2022, the charity retains substantial flexibility on staffing, and would be able to downsize to meet its needs. Therefore the trustees consider the charity is well-placed to withstand the impact of the pandemic.

**RISK ASSESSMENT**

Demos continued to make significant improvements to its risk management approach in 2022. 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. A programme was undertaken called "How to Demos" 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. 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.

**Future Development**

The trustees have reviewed the latest results for 2022 and anticipated income and workflow projection for 2023 and beyond. In the transition to the new CEO the trustees authorised the use of £100,000 in the reserves to weather any challenges deriving from the leadership changes in 2022. In the event prudent management meant this was not needed. But the difficult Autumn fundraising period meant we entered 2023 with a low project load and pipeline. Reserves have subsequently been deployed to support through this period but with the onboarding of the new leadership team, the better external environment and the growing diversification of funding, by mid 2023 we are confident we are in a budget beating position for the second half of 2023. Trustees continue to scrutinise budgets, spending and revenue forecasts to ensure Demos can meet its liabilities as they fall due for the foreseeable future and have therefore prepared the financial statements on the going concern basis.

**Credit risks**

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

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

# Demos

## Company Limited by Guarantee

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

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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 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.

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

Dame J Mellor (Chair)  
Trustee

# Demos

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

#### Year ended 31 December 2022

#### Opinion

We have audited the financial statements of Demos (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 December 2022 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 2022 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.

# **Demos**

## **Company Limited by Guarantee**

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

#### **Year ended 31 December 2022**

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

We have nothing to report in this regard.

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

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

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

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

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

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

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

#### **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 2022**

#### **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 2022

- 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

# Demos

## Company Limited by Guarantee

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

Year ended 31 December 2022

		Unrestricted funds	2022 Restricted funds	Total funds	2021 Total funds
	Note	£	£	£	£
<b>Income and endowments</b>					
Donations and legacies	5	1,804	—	1,804	486
Charitable activities	6	890,225	230,412	1,120,637	1,424,027
Other trading activities	7	4,125	—	4,125	577
Investment income	8	4,424	—	4,424	268
<b>Total income</b>		<u>900,578</u>	<u>230,412</u>	<u>1,131,026</u>	<u>1,425,358</u>
<b>Expenditure</b>					
Expenditure on charitable activities	10,11	899,530	230,412	1,129,942	1,395,942
Expenditure on trading activities	9	—	—	—	—
<b>Total expenditure</b>		<u>899,530</u>	<u>230,412</u>	<u>1,129,942</u>	<u>1,395,942</u>
<b>Net income and net movement in funds</b>		<u>1,084</u>	<u>—</u>	<u>1,084</u>	<u>29,416</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		406,262	—	406,262	376,846
<b>Total funds carried forward</b>		<u>407,346</u>	<u>—</u>	<u>407,346</u>	<u>406,262</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 20 to 31 form part of these financial statements.

**Demos**  
**Company Limited by Guarantee**  
**Consolidated Statement of Financial Position**  
**31 December 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible fixed assets	<b>16</b>	47,477	18,713
<b>Current assets</b>			
Debtors	<b>17</b>	159,071	288,299
Cash at bank and in hand		459,405	371,706
		<u>618,476</u>	<u>660,005</u>
<b>Creditors: amounts falling due within one year</b>	<b>18</b>	258,607	272,456
<b>Net current assets</b>		<u>359,869</u>	<u>387,549</u>
<b>Total assets less current liabilities</b>		<u>407,346</u>	<u>406,262</u>
<b>Net assets</b>		<u>407,346</u>	<u>406,262</u>
<b>Funds of the charity</b>			
Unrestricted funds		407,346	406,262
Restricted funds		—	—
<b>Total charity funds</b>	<b>21</b>	<u>407,346</u>	<u>406,262</u>

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

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

Dame J Mellor (Chair)  
Trustee

The notes on pages 20 to 31 form part of these financial statements.

**Demos**  
**Company Limited by Guarantee**  
**Statement of Financial Position**  
**31 December 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible fixed assets	<b>16</b>	47,477	18,713
<b>Current assets</b>			
Debtors	<b>17</b>	325,223	345,987
Cash at bank and in hand		255,857	276,551
		<u>581,080</u>	<u>622,538</u>
<b>Creditors: amounts falling due within one year</b>	<b>18</b>	221,211	234,989
<b>Net current assets</b>		<u>359,869</u>	<u>387,549</u>
<b>Total assets less current liabilities</b>		<u>407,346</u>	<u>406,262</u>
<b>Net assets</b>		<u>407,346</u>	<u>406,262</u>
<b>Funds of the charity</b>			
Unrestricted funds		407,346	406,262
Restricted funds		—	—
<b>Total charity funds</b>	<b>21</b>	<u>407,346</u>	<u>406,262</u>

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

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

Dame J Mellor (Chair)  
Trustee

The notes on pages 20 to 31 form part of these financial statements.

**Demos**  
**Company Limited by Guarantee**  
**Consolidated Statement of Cash Flows**  
**Year ended 31 December 2022**

	<b>2022</b>	2021
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>		
Net (expenditure)/income	1,084	29,417
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	5,251	4,251
Other interest receivable and similar income	(4,424)	(268)
Accrued expenses/(income)	4,022	14,786
<i>Changes in:</i>		
Trade and other debtors	303,102	(9,455)
Trade and other creditors	(191,215)	(180,987)
Cash generated from operations	117,820	(142,256)
Interest received	4,424	268
Net cash (used in)/from operating activities	<u>122,244</u>	<u>(141,988)</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(34,545)	(17,931)
Net cash used in investing activities	<u>(34,545)</u>	<u>(17,931)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	(87,699)	(159,919)
<b>Cash and cash equivalents at beginning of year</b>	371,706	531,625
<b>Cash and cash equivalents at end of year</b>	<u>459,405</u>	<u>371,706</u>

The notes on pages 20 to 31 form part of these financial statements.

# Demos

## Company Limited by Guarantee

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

Year ended 31 December 2022

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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 2022**

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

**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.

# Demos

## Company Limited by Guarantee

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

Year ended 31 December 2022

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

##### Incoming resources

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

This is shown net of VAT.

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

##### Resources expended

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

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

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

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

##### Operating leases

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

##### Tangible assets

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



**Demos**  
**Company Limited by Guarantee**  
**Notes to the Financial Statements** *(continued)*  
**Year ended 31 December 2022**

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

**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 2022 was 7 (2021: 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 2022

#### 5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
<b>Donations</b>			
Donations	1,804	—	1,804
	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
<b>Donations</b>			
Donations	486	—	486

#### 6. Charitable activities

	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>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Projects	872,058	—	872,058
Events and seminars	76,451	—	76,451
Publications and subs	1,026	—	1,026
Grant funded research	81,001	393,491	474,492
	<u>1,030,536</u>	<u>393,491</u>	<u>1,424,027</u>

#### 7. Analysis of grants

	2022 £	2021 £
<b>Grants to institutions</b>		
Charities and Foundations	203,905	206,375
Commercial organisations	671,581	594,473
Cultural and Educational organisations	42,248	71,017
NPDB	—	48,410
Government department	—	120,849
Non UK organisation	162,905	22,594
Other	7,634	171,024
	<u>1,088,273</u>	<u>1,234,741</u>
Total grants	<u>1,088,273</u>	<u>1,234,741</u>

# Demos

## Company Limited by Guarantee

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

Year ended 31 December 2022

#### 8. Other trading activities

	Unrestricted Funds £	<b>Total Funds 2022 £</b>	Unrestricted Funds £	Total Funds 2021 £
Other Income	1,641	1,641	577	577
	<u>1,641</u>	<u>1,641</u>	<u>577</u>	<u>577</u>

#### 9. Investment income

	Unrestricted Funds £	<b>Total Funds 2022 £</b>	Unrestricted Funds £	Total Funds 2021 £
Bank interest receivable	4,424	4,424	268	268
	<u>4,424</u>	<u>4,424</u>	<u>268</u>	<u>268</u>

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

	Unrestricted Funds £	Restricted Funds £	<b>Total Funds 2022 £</b>
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>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Projects	837,972	393,491	1,231,463
Events and seminars	10,693	–	10,693
Support costs	153,786	–	153,786
	<u>1,002,451</u>	<u>393,491</u>	<u>1,395,942</u>

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

	Activities undertaken directly £	Support costs £	<b>Total funds 2021 £</b>	Total funds 2020 £
Projects	881,102	167,879	1,048,981	1,351,513
Events and seminars	37,613	–	37,613	10,693
Governance costs	–	43,348	43,348	33,736
	<u>918,715</u>	<u>211,227</u>	<u>1,129,942</u>	<u>1,395,942</u>

# Demos

## Company Limited by Guarantee

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

#### Year ended 31 December 2022

#### 12. Analysis of support costs

	Projects	Events & Seminars	Publications & Subscriptions	<b>Total 2022</b>	Total 2021
	£	£	£	£	£
Premises	73,354	4,075	4,075	81,504	78,369
General office	9,894	550	550	10,993	7,282
Support costs - Other costs	102,131	5,674	5,674	113,479	63,884
Support costs - Depreciation	4,726	263	263	5,251	4,251
	<u>190,104</u>	<u>10,561</u>	<u>10,561</u>	<u>211,227</u>	<u>153,786</u>

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

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

	<b>2022</b>	2021
	£	£
Depreciation of tangible fixed assets	5,251	4,251
Foreign exchange differences	<u>716</u>	<u>870</u>

#### 14. Auditors remuneration

	<b>2022</b>	2021
	£	£
Fees payable for the audit of the financial statements	6,750	6,150
Fees payable for tax advisory services	550	500
Fees payable for non-audit services	4,500	4,100
	<u>11,800</u>	<u>10,750</u>

#### 15. Staff costs

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

	<b>2022</b>	2021
	£	£
Wages and salaries	633,477	673,737
Social security costs	66,064	68,161
Employer contributions to pension plans	32,643	35,933
	<u>732,184</u>	<u>777,831</u>

Total remuneration paid to key management personnel, including benefits such as employer pension contributions, amounted to £88,032 (2021: £106,000).

The average head count of employees during the year was 19 (2021: 20). The average number of full-time equivalent employees during the year is analysed as follows:

# Demos

## Company Limited by Guarantee

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

#### Year ended 31 December 2022

#### 15. Staff costs *(continued)*

	2022 No.	2021 No.
Projects	15	16
External affairs	3	3
Support costs	1	1
	<u>19</u>	<u>20</u>

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

	2022 No.	2021 No.
£90,000 to £99,999	<u>0</u>	<u>1</u>

#### 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 (2021: £nil).

#### 17. Tangible fixed assets

	Fixtures and fittings £	Computer Equipment £	Total £
<b>Cost</b>			
At 1 January 2022	5,238	23,271	28,509
Additions	416	33,599	34,015
<b>At 31 December 2022</b>	<u>5,654</u>	<u>56,870</u>	<u>62,524</u>
<b>Depreciation</b>			
At 1 January 2022	2,083	7,713	9,796
Charge for the year	1,037	4,214	5,251
<b>At 31 December 2022</b>	<u>2,083</u>	<u>11,927</u>	<u>15,047</u>
<b>Carrying amount</b>			
<b>At 31 December 2022</b>	<u>2,534</u>	<u>44,943</u>	<u>47,477</u>
At 31 December 2021	<u>3,155</u>	<u>15,558</u>	<u>18,713</u>

#### 18. Debtors

	Group 2022 £	2021 £	Company 2022 £	2021 £
Trade debtors	50,227	175,870	40,495	86,562
Prepayments and accrued income	73,868	77,507	73,753	64,464
Other debtors	34,976	34,922	210,975	194,961
	<u>159,071</u>	<u>288,299</u>	<u>325,223</u>	<u>345,987</u>

# Demos

## Company Limited by Guarantee

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

#### Year ended 31 December 2022

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

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Trade creditors	38,540	55,381	37,660	55,381
Accruals and deferred income	168,668	132,840	140,888	112,367
Social security and other taxes	39,657	61,045	30,891	44,651
Other creditors	11,742	23,190	11,772	22,590
	<u>272,456</u>	<u>272,456</u>	<u>234,989</u>	<u>234,989</u>

#### 20. Deferred income

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
At 1 January 2022	63,600	197,491	63,600	180,341
Amount released to income	(63,600)	(197,491)	(63,600)	(180,341)
Amount deferred in year	96,820	63,600	92,820	63,600
At 31 December 2022	<u>96,820</u>	<u>63,600</u>	<u>92,820</u>	<u>63,600</u>

#### 21. 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 £32,643 (2021: £35,933).

#### 22. Analysis of charitable funds

##### Unrestricted funds

##### Group and company

	At 1 January 2022	Income	Expenditure	At 31 December 2022
	£	£	£	£
General funds	<u>406,262</u>	<u>900,578</u>	<u>(899,530)</u>	<u>407,346</u>

  

	At 1 January 2021	Income	Expenditure	At 31 December 2021
	£	£	£	£
General funds	<u>376,846</u>	<u>1,031,868</u>	<u>(1,002,451)</u>	<u>406,262</u>

# Demos

## Company Limited by Guarantee

### Notes to the Detailed Statement of Financial Activities

Year ended 31 December 2022

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

	At 1 January 2021 £	Income £	Expenditure £	At 31 December 2021 £
General funds	376,846	1,001,290	(971,874)	406,262

#### Restricted funds

#### Group and company

The subsidiaries have no restricted funds.

	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)	—
	—	230,412	(230,412)	—

	At 1 January 2021 £	Income £	Expenditure £	At 31 December 2021 £
LIPSIT	—	42,917	(42,917)	—
Catholic Church – Death and Dying	—	21,850	(21,850)	—
10Today Phase 2	—	171,024	(171,024)	—
Hyde	—	37,500	(37,500)	—
WWF Climate Calculator	—	110,000	(110,000)	—
Barrow Cadbury	—	10,200	(10,200)	—
	—	393,491	(393,491)	—

# Demos

## Company Limited by Guarantee

### Notes to the Detailed Statement of Financial Activities

Year ended 31 December 2022

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

##### Group

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Tangible 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>

  

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Tangible fixed assets	18,713	–	18,713
Current assets	660,005	–	660,005
Creditors less than 1 year	(272,456)	–	(272,456)
<b>Net assets</b>	<u>406,262</u>	<u>–</u>	<u>406,262</u>

##### Company

	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>

  

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Tangible fixed assets	18,713	–	18,713
Current assets	622,538	–	622,538
Creditors less than 1 year	(234,989)	–	(234,989)
<b>Net assets</b>	<u>406,262</u>	<u>–</u>	<u>406,262</u>

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

##### Group

	At 1 Jan 2022 £	Cash flows £	At 31 Dec 2022 £
Cash at bank and in hand	<u>371,706</u>	<u>87,699</u>	<u>459,405</u>



# Demos

## Company Limited by Guarantee

### Notes to the Detailed Statement of Financial Activities

Year ended 31 December 2022

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#### Company

	At 1 Jan 2022 £	Cash flows £	At 31 Dec 2022 £
Cash at bank and in hand	<u>276,551</u>	<u>(20,694)</u>	<u>255,857</u>

#### 25. Operating lease commitments

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

	2022 £	2021 £
Not later than 1 year	33,763	74,184
Later than 1 year and not later than 5 years	<u>—</u>	<u>33,763</u>
	<u>33,763</u>	<u>107,947</u>

#### 26. Related parties

##### Company

At the balance sheet date £1,488 (2021: £16,737) was owed to companies under common control.