

COMPANY REGISTRATION NUMBER: 02977740  
CHARITY REGISTRATION NUMBER: 1042046

**Demos**  
**Company Limited by Guarantee**  
**Financial Statements**  
**31 December 2024**

**DEMOS**

**BURGESS HODGSON LIMITED**

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 2024**

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# Demos

## Company Limited by Guarantee

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

Year ended 31 December 2024

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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 2024.

#### 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  
H Begum  
M R McAuliffe  
Dame J Mellor (Chair)  
M A Boo (resigned 11 March 2025)  
A W K Dawson  
D C Robb  
J T Plunkett (appointed 11 March 2025)  
A S White (appointed 11 March 2025)  
W A Moy (appointed 3 June 2025)  
C S O McDonald (appointed 3 June 2025)  
S Khan (appointed 11 March 2025)

**Company secretary** P E Curtis

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

**Demos**  
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**Trustees' Annual Report (Incorporating the Director's Report) *(continued)***  
**Year ended 31 December 2024**

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The trustees present their report and the financial statements for the year ending 31 December 2024.

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 report by Dame Julie Mellor**

Demos continued its strengthening trajectory in 2024 growing its influence, financial security and organisational maturity, together enabling it to deliver more impactfully on its charitable objectives. We rose to the challenge of a year of political change, grew our impact and delivered on our promise to help build a more collaborative democracy.

The landmark publication of Demos' Citizens' White Paper, setting out how the new government can embed participation and deliberation in the heart of government policy-making, was welcomed across the democracy sector, read widely across Whitehall, and was instrumental in helping to establish a cross-government participatory forum, to which Demos became an official advisor. We subsequently went on to work with four of five of the government's Missions, including by training public servants in participatory ways of working.

It sparked subsequent work examining the impact of the election debate on trust - a central theme in politics for the foreseeable future. We are now seeking to make the case for participatory policy-making by taking on the most challenging policy areas facing our political system and prove the value of this different way of working: In 2025 we are looking at planning, immigration and tax rises.

Meanwhile our work on public service reform was influential on the direction of the public service reform agenda. The cabinet office minister Georgia Gould supported the launch of The Reform Dividend, making the case for "liberated public services", and the vision that work presented helped inform a strategy for public service reform which was subsequently published at the 2025 spending review.

Our digital team has gone from strength to strength. We published research on digital human rights, the impact of AI on elections and started making the case for open sourcing the AI revolution. We published novel research on the impact of social media narratives on community tensions over the controversial introduction of low traffic neighbourhoods. It exposed a democratic chasm between communities and councils, demonstrating the digital and social media disruption to local democracy. At the end of 2024 we secured a 1m euro grant to design a new solution to this. Waves, is a brand new civic tech process to allow impactful, scaled and affordable deliberation on policy making. A partnership with two local councils, we will spend 2025 developing the process with an aim to scale it across local government and beyond in coming years.

Under the current CEO turnover has grown from £1.13m in 2022, to £1.39m in 2023 to £1.78m in 2024. Throughout the year we consolidated the growth of the team and matured our ways of working, while focusing on accelerating our influence and the impact of our strategy to build a more collaborative democracy.

But as we have delivered ever more impact, the stakes are rising. Democracies around the world are under pressure with new and alarming trends towards democratic backsliding. Poll after poll shows diminishing trust in democracy, frustration with public services and an ongoing cost of living crisis. In early 2025 we took the decision to embark on a strategy review to meet these growing challenges. At

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#### Year ended 31 December 2024

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the time of writing this is coalescing around a mission to upgrade democracy to rebuild trust and mend the broken relationships between state and citizens. This will be an important next step for Demos, building on over 30 years of innovation. To support this process, and conscious that my third term ends in 2026, we recruited five new board members adding to our strength and the diversity of thought we need to deliver on this mission.

Together with a strengthened executive team, I am confident that we can rise to the challenge of the times and continue to deliver against our charitable aims to promote education and research for the public benefit of politics, economics, public policy and deliberation.

#### **CEO report by Polly Curtis**

##### **Structure, governance and management**

##### **Organisational structure and quality assurance**

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

A management team, which includes a middle management layer, is responsible for managing the day-to-day operations of the team, with the executive team focused on strategy and organisational development.

Research projects are line-managed by senior staff; a team of researchers undertakes research and policy projects operating as the Policy and Participation Team, while the Impact Team manages the programme of events, influencing and publicity. This year CASM, which is responsible for digital policy, rebranded as the Demos Digital team and is now under the co-leadership of two associate directors, Elizabeth Seger, responsible for AI and digital policy across our whole portfolio, and Hannah Perry, responsible for our growing work on information ecosystems.

The whole team is supported by a Head of Operations, Finance Manager and the CFO. Freelance and sub-contracted collaborations are entered into to fulfil technical and consultancy roles, as well as helping with particular aspects of research, writing and the production of publications. All projects have a budgetary review before contracts with funders are signed, and are subject to an extensive quality review process from initiation through to publishing the final report. The CEO quality assures all external outputs.

##### **Objectives and activities**

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

We had an extraordinarily busy year in 2024, encompassing a change in government and a very high level of outputs. In 2024 we published 44 papers, hosted two networks and 20 party conference events (up from 16 in 2023). We ran one major multi year taskforce on Public Service Reform.

We started the year with a consolidation of our pillars of work, renamed as Public Service Reform, Citizen Economy, Trusted Technology and Collaborative Democracy, adding to the strength and

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

#### Year ended 31 December 2024

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clarity of our mission. The 2023 merger with Engage Britain has bedded in seamlessly and enabled the work of the Citizens White Paper, and funded further work on trust, planning reform and the work of MPs.

Our focus on diversifying our funding has been successful. Whereas previously our work was in two categories: projects and events (including party conferences), we now also have revenue streams for our purely participatory work, programmes and network building. By mid 2024 this produced our busiest ever quarter in the run up to the surprise 2024 general election. But we were running over 30 projects at one time, which was stretching our capacity to the limit. The calling of the election in June 2024 had two major impacts on our work: first, we had to triage our entire project slate to establish how the new political context would affect our influencing operation, which we managed swiftly to reshape all projects on our books for maximum impact before and after the election. Secondly, it froze the pipeline of future project funding as our funders awaited the outcome of the election.

In this context we took stock and decided that in the interim period of financial uncertainty, we would pivot our fundraising strategy to more sharply focus on fewer bigger programmatically funded projects, focusing on grants and foundations whose cycles continued through the election period. This resulted in the conversion of the Google Foundation funding for Waves, then in the first half of 2025 £900,000 for our Epistemic Security Programme from the Quadrature Foundation, £120,000 for a programme on deliberation for immigration policy from Open Society Foundation and £144,000 for building new narratives for community empowerment from Lloyds Bank Foundation.

We aim to continue this strategy which enables more secure, sustainable, long-term and impactful work.

#### **Governance and finance**

The board and executive enjoyed a strong working relationship in 2024, with support and challenge helping to strengthen the organisation's strategic direction and working together in 2025 on a brand new strategy.

During the year the Charity undertook a review of its Articles of Association and the board approved a set of revised Articles designed to reflect the correct and desired organisation of membership and trusteeship. These were filed with the appropriate governing authorities in November 2024.

The board met on a quarterly basis. We maintained two subcommittees overseeing 'finance audit and risk' and 'nominations and remuneration'. All policies were reviewed in line with best practices and we engaged an external consultant to support on a governance review to oversee a transition period in which we recruited a new head of operations, who started in the Summer 2024. The Board reviewed skill needs together in June 2024 when planning recruitment. The chair conducted a board effectiveness review in December 2024. This highlighted the value of allowing more time for open discussion during board meetings, which supported the executive team in shaping the strategy process.

Recruitment resulted in the appointments of five new trustees bringing a rich range of experience and thinking to Demos: Dame Sara Khan, Chine McDonald, Will Moy, James Plunkett and Alex White. This is in anticipation of terms coming to an end in 2026, including the chair's, and wanting to further diversify our strategy capacity and thinking ahead of a strategy renewal process. We bid farewell to Marcial Boo, who has served as a loyal and committed trustee for four years, chairing the Finance and Risk Committee and personally supporting both the chair and CEO in that time. We are deeply grateful to him for his time with us.

With the strength of the executive and new board teams in place at the beginning of 2025, we embarked

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**Year ended 31 December 2024**

on a multi-stage strategy review to develop a new long term strategy for Demos in response to the mounting democratic emergency around the world, and worsening trust and engagement in the political system in the UK. This has involved workshops with the Demos team and trustees, and is resulting in an emerging narrative around upgrading democracy to mend the broken relationship between state and citizen in order to address the emerging democratic emergency. This has also involved discussion around our political engagement strategy, in which we remain committed to being a cross-party think tank and deeply committed to consensus building and compromise in these polarised times. Politics remains and must always be the method of achieving the change we as a charity exist to pursue, and never our cause.

#### Trustee Attendance at Board Meetings

Trustee	6 Feb 24	4 Jun 24	3 Sep 24	26 Nov 24	11 Mar 25	3 Jun 25	2 Sep 25
Dame Julie Mellor (Chair)	✓	✓	✓	✓	✓	✓	✓
Mohammed Aziz	✓	✓	✓	✓	X	✓	✓
Halima Begum	✓	X	X	LOA	LOA	LOA	LOA
Marcial Boo	✓	✓	✓	✓	✓ (resigned)	-	-
Alex Dawson	✓	X	✓	✓	✓	✓	✓
Tilly McAuliffe	✓	✓	✓	✓	✓	✓	X
Campbell Robb	X	X	✓	✓	✓	✓	X
Dame Sara Khan	-	-	-	-	✓ (elected)	✓	X
James Plunkett	-	-	-	-	✓ (elected)	✓	✓
Alex White	-	-	-	-	✓ (elected)	✓	X
Chine McDonald	-	-	-	-	-	✓ (elected)	✓

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Will Moy	–	–	–	–	–	✓ (elected)	✓
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#### Charitable objectives

Demos' charitable objectives remain unchanged. It is a research and education charity which has used the insights and findings of its research to advance social and policy change. Some of its work, while research-led, has a secondary objective of advancing other charitable purposes such as tackling social exclusion, promoting sustainable development, relieving poverty, or improving the efficiency of public services which serve a charitable purpose. The charitable objectives of Demos are as follows:

(1) To promote education for the public benefit in issues of politics, economics, technology and the digital economy, methods and practices of public deliberation, the environment and public policy. (2) To promote for the public benefit research in any of the above fields of education and to publish the useful results of such research. (3) To further such other purposes which are exclusively charitable under the law of England and Wales as the Trustees shall determine, with a focus on preventing social exclusion, promoting sustainable development, promoting the efficiency and effectiveness of public services, and relieving poverty.

(4) For the purposes of Article 3:

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

#### Achievements and performance

##### Achievements during 2024

##### Collaborative Democracy

The publication of the Citizens' White Paper in summer 2024 set out why, when and how the new government should partner with the public on national policy making. Publication in July 2024 led to widespread news coverage, and in-depth comment coverage in the [FT](#) and [Guardian](#). It triggered a briefing with key ministers within weeks of the election, over 70 civil servants, and an advocacy plan across the new government.

By the end of the year, we had worked with the teams running four out of the five missions, we discussed the work at Civil Service Live with a permanent secretary, we presented to over 350 senior civil servants in the Department for Health and Social Care and were commissioned to train over 100 DHSC staff on participatory policymaking, and presented to the leadership of the Department for Transport.

The Participatory Methods Forum was established in the Cabinet Office to promote these approaches across government, and we are on the steering group of that Forum. We have seen a ramping up of participatory policymaking across most departments, though this approach is still not mainstreamed. Subsequent work on the role of citizens in mission delivery helped inform the new Partnerships Unit in Number 10, which has a specific agenda to involve citizens in the missions. At the time of writing there is another wave of interest informing the forthcoming Elections Strategy and Bill, the Defending Democracy Taskforce and the Social Cohesion Taskforce.

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It was a transformative year for us that went from theory to practice: we demonstrated the value of putting citizens at the heart of policymaking by understanding where the public is at in two policy areas: the right in protest, in partnership with Liberty, and reforming Inheritance Tax with abrdn Financial Fairness Trust. We also delivered work for the Greater London Assembly setting out how they could embed deliberative and participatory democratic practices across their work.

In March 2024 we launched the Collaborative Democracy Network for politicians, policymakers and civil society to come together to discuss innovations that put people at the heart of policy making. In its first year, we ran five events and built a database of over 800 people, of whom almost one quarter are civil or public servants. Its success led to funding from Carnegie UK and Impact on Urban Health for the network in 2025, and a direct request for the Minister for Net Zero to speak at an event.

To push the collaborative democracy agenda forward into 2025, we decided to focus on demonstrating the value and impact of involving the public in specific politically and publicly salient issues. The first of these projects - public participation in strategic planning to speed up and streamline the process, a key government priority - began in late 2024 and is followed by work on immigration and tax rises. As we get into the strategy review, we see the need to convince the full political spectrum that these ways of working can help de-risk policy making and even speed it up if done at the right stage in the process, in ways that can build trust. We also need to strengthen the connection with other forms of building a more collaborative democracy: through enhancing community power, citizenship and relational public services.

#### **Public Service Reform**

Throughout 2024 we hosted the Future Public Services Taskforce, a major cross-party initiative to produce a new, public service reform strategy for central government. The Taskforce was advised by a number of senior leaders including Patricia Hewitt (former Health Secretary), Jonathan Slater, (former Permanent Secretary; and Chris Naylor (former Chief Executive of Barking and Dagenham Council). It delivered its final recommendations at the end of the year to a major conference, addressed by the minister Georgia Gould. Our language about people-centred public services, devolved to local areas and liberating public servants and citizens to work together was strongly echoed in the subsequent cabinet office strategy setting our integrated services organised around people's lives, focused on prevention and devolving power to communities.

Our work on mission delivery, making the case for enabling reforms, was read across Whitehall and prompted invitations to meet the officials responsible, and we presented the work to parliament. Our work on prevention continued, deepening the case for reforming funding mechanisms to support preventative approaches. The treasury has since announced it is modelling ways to assess preventative spending, both the public service from strategy and the NHS 10 year plan majoring on the preventative agenda and the Scottish government is looking at implementing new preventative funding models.

#### **Trustworthy Technology**

In 2024 CASM took a significant step forward, rebranding as Demos Digital to better integrate our digital policy work across all of Demos's pillars. This rebrand went smoothly and has allowed us to expand our work, embedded across the strategy.

Repeat funding has been a theme this year. Last year's pilot online social insights research with JRF is now moving into its fourth wave analyzing online conversations about welfare reform. We secured a second round of funding from Mozilla, to support Demos's continued work on open-source AI policy

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and tech power concentration and were invited to present the findings to the UK AI Bill team at DSIT. Our international reach also expanded with a second wave of funding from the Government of South Korea, supporting work developing and promoting a draft bill of digital rights for the UK. As we move into 2025 the team has been instrumental in securing the two biggest funded projects Demos has ever embarked on. First, the Google Foundation is funding Waves, which is project managed by the team and second, the Epistemic Security programme, which is funded at £900k. This ambitious work has seeded three projects over the next two years: the Epistemic Security Network and newsletter, a news ecosystem mapping project, and a crisis scenario red-teaming project.

With this work, Demos's expertise on healthy information environments is shining through and is being widely recognised. We have engaged the Defending Democracy Taskforce at the Home Office, and various MPs and Lords including direct engagement with Anneliese Dodds, Kirsty McNeill, Josh Simons, Ben Spencer and Lord Tim Clement-Jones.

### **Inclusive Economy**

Our work this year focused on two main areas: inheritance tax reforms, and employment support. On IHT we made major contributions to the research base on the case for adjusting inheritance taxes, presenting to officials and cross party members of the house of commons. Our work reached the front page of the FT and Guardian websites, and was discussed in the Telegraph, The Times, the Observer, the Today programme, BBC 5Live, Times Radio and TalkTV. We briefed 10 Labour MPs on our research in a roundtable, and the Exchequer Secretary's team said they would "consider [our policy briefing] in preparation for the budget". Subsequently, IHT was reformed, raising substantial revenue and closing opportunities for the well-advised to avoid the tax.

Our specific proposals stood the test of time. Reforms to IHT business relief reflected our recommendation, and were the only changes avoiding widespread backlash. We also warned about cutting agricultural relief due to the potential public backlash, and suggested the government consider more strategic reforms - a position which was borne out in the subsequent political debate.

On our employment support we published work on raising awareness for support for disabled people and those with health conditions and the future of youth hubs (including the first assessment of the early pilots of this policy). Our publication, *The Opportunity Effect*, made the economic case for social mobility, and was launched with the minister Alison McGovern.

After the publication of our report *Taming the Wild West: How technology can charter a new frontier for social value* in July 2024, one of the report recommendations was echoed in the Government's Industrial Strategy. In the report, our recommendation built on the requirement as part of the new Procurement Act to set, publish and assess at least three KPIs for major contracts by proposing that 'at least one of these KPIs relates to social value'. The Industrial Strategy echoes this language, requiring setting 'at least one social value Key Performance Indicator (KPI) relating to jobs, opportunities or skills in major contracts and report regularly on delivery.

### **Publications**

We published 44 reports in 2024, compared with 37 2023 and 22 in 2022. Titles published during the year included:

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- MISSION REFORM: KEY REFORMS FOR A FIT FOR PURPOSE GOVERNMENT: Sir Geoff Mulgan and Jonathan Slater propose a series of reforms designed to change government, grow its capacities and deliver its missions.
  - THE COST OF BREAST CANCER: MODELLING THE ECONOMIC IMPACT TO THE UK: Lucy Bush, Sara Macdonald and Jennifer Misak
  - GENERATING DEMOCRACY: AI AND THE COMING REVOLUTION IN POLITICAL COMMUNICATIONS: Alice Dawson and James Ball investigate the implications of the use of AI in communications practices for public discourse, trust and democracy.
  - STRONG FOUNDATIONS: WHY EVERYONE NEEDS GOOD EMOTIONAL HEALTH - AND HOW TO ACHIEVE IT: Alice Dawson calls for a “prevention solution” to the emotional health crisis and sets out recommendations for how the government can achieve good emotional health for all.
  - SYNTHETIC POLITICS: PREPARING DEMOCRACY FOR GENERATIVE AI: Ellen Judson, Sarah A. Fisher, Jeffrey W. Howard, Beatriz Kira, Kiran A. Basavaraj and Hannah Perry explore how synthetic content produced by generative AI poses risks to core democratic values, and propose two action plans to safeguard democratic integrity.
  - “THIS SYSTEM IS RIGGED”: A SOCIAL MEDIA LISTENING EXPLORATION REVEALING HOW PEOPLE ARE TALKING ABOUT POVERTY ONLINE: Sophia Knight, Alice Dawson and Hannah Perry pioneer an innovative method of social listening to shed light on the experiences of people living in financial hardship.
  - GB CLOUD: BUILDING THE UK’S COMPUTE CAPACITY: Elizabeth Seger and David Lawrence explore the growing importance of cloud compute and recommend the government invest £1.5 billion in publicly owned cloud compute to support AI in the public sector as well as UK based AI start-ups and researchers.
  - DRIVING DISINFORMATION: DEMOCRATIC DEFICITS, DISINFORMATION AND LOW TRAFFIC NEIGHBOURHOODS: Hannah Perry, Sophia Knight, Naema Malik, Jonathan Heawood, Jaldeep Katwala and Joe Mitchell explore the role disinformation plays in local division over low traffic neighbourhoods.
  - GENERATIVE AI AND DEMOCRACY: IMPACTS AND INTERVENTIONS: Elizabeth Seger looks into the solutions for bolstering the resilience of our democratic institutions in the AI age.
  - LIBERATED PUBLIC SERVICES: A NEW VISION FOR CITIZENS, PROFESSIONALS AND POLICY MAKERS: Ben Glover makes the case for public service reform.
  - CONSPIRACY LOOPS: FROM DISTRUST TO CONSPIRACY TO CULTURE WARS. Sophia Knight examines the role political actors play in weaponising conspiracy theories to fuel culture wars.
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- TRUSTWATCH 2024: LIVE CITIZENS VERDICT ON THE ELECTION CAMPAIGN. Billy Huband-Thompson, Dan Goss and Lucy Bush convene a 32 person ongoing panel to measure how attitudes to political trust change throughout the pre-election period, through “citizens conversations”.
  - ONLY WE CAN SAVE THE STATE: LESSONS FOR NATIONAL GOVERNMENT FROM PUBLIC SERVICE REFORM IN BARKING AND DAGENHAM. Chris Naylor explores public service reform through the lens of local council redesign.
  - TAKING BACK CONTROL: PROPOSALS FOR HOW TO GIVE POWER AND AGENCY BACK TO OUR COMMUNITIES: Andrew O'Brien sets out a series of proposals to advance community empowerment.
  - TRUSTWATCH 2024: Billy Huband-Thompson, Dan Goss, Lucy Bush and Hana Kapetanovic chart citizen trust in politics through the 2024 election cycle through citizens' conversations.
  - THE TRIPLE DIVIDEND OF HOME IMPROVEMENT: THE ECONOMIC, SOCIAL AND ENVIRONMENTAL BENEFITS: Andrew O'Brien makes the case for a comprehensive nationwide programme on home improvement.
  - OPEN DOOR POLICY: WHY THE NEW GOVERNMENT SHOULD INTRODUCE AN EMPLOYMENT ADVICE GUARANTEE: Andrew Phillips explores the role of significant advice gaps in the UK's labour market crisis.
  - TAMING THE WILD WEST: HOW TECHNOLOGY CAN CHARTER A NEW FRONTIER FOR SOCIAL VALUE: Hana Kapetanovic considers how a new vision for social value can build trust and help unlock economic opportunities, enabled by technology.
  - THE FUTURE OF INHERITANCE TAX: OPTIONS TO REPAIR INHERITANCE TAXATION IN BRITAIN: Dan Goss explores lessons that UK can learn from overseas inheritance tax policies.
  - CITIZENS WHITEPAPER: Miriam Levin, Polly Curtis, Sarah Castell and Hana Kapetanovic sets out the why, when and how the government could embed citizen involvement in national policy making to tackle complex and diverse challenges.
  - LAUNCH PADS: THE FUTURE OF YOUTH EMPLOYMENT HUBS: Andrew Phillips and Naema Malik assess the success of youth employment hubs in supporting NEET young people.
  - GOING FOR GROWTH: CREATING AN AI FIRST FUTURE IN ACCOUNTING: Andrew O'Brien exposes how AI will reshape the accounting and bookkeeping industry over the next five years.
  - AI - TRUSTWORTHY BY DESIGN: HOW TO BUILD TRUST IN AI SYSTEMS, THE INSTITUTIONS THAT CREATE THEM AND THE COMMUNITIES THAT USE
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THEM: Elizabeth Seger and Maria Axente explore the concept of trust in AI, delineating trust from trustworthiness.

- THE INTEGRITY MISMATCH: Marcial Boo examines what the concept of integrity in public life means, how the concept meets the reality of life in a political office and how this results in an 'integrity mismatch' between those in elected office and the public servants who work with them.
  - "FIGHT LIKE HELL!" AN ONLINE FORUM LISTENING EXERCISE REVEALING HOW PEOPLE TALK ABOUT POVERTY ONLINE: Sophia Knight, Hannah Perry and Alice Dawson conduct an online forum listening exercise to understand experiences of financial hardship in the UK.
  - PARTNERSHIP IN PRACTICE: HOW CAN THE NEW GOVERNMENT WORK WITH BUSINESS TO DELIVER IT'S MISSIONS?: Andrew O'Brien conducts a convening exercise to understand how to put the desire for partnership shared by government and business, into practice.
  - OPEN HORIZONS: EXPLORING NUANCED TECHNICAL AND POLICY APPROACHES TO OPENNESS IN AI: Elizabeth Seger explores what kind of evidence should be collected when deciding when to release an AI model and how to productively work to reduce risks.
  - THE PEOPLE'S TOWN SQUARE ON PROTEST: LOOKING BEYOND THE HEADLINES: Hana Kapetanovic, Naema Malik and Miriam Levin set out recommendations for the government to take political leadership on the issue of protest.
  - THE EARLIER THE BETTER: RAISING AWARENESS OF EMPLOYMENT SUPPORT FOR DISABLED PEOPLE AND PEOPLE WITH HEALTH CONDITIONS: Andrew Phillips explores ways to raise awareness of the employment support schemes currently available to people with disabilities or health conditions.
  - TRUSTWATCH 2024: A PLAYBOOK TO REBUILD TRUST IN POLITICS: Dan Goss, Billy Huband-Thompson and Polly Curtis use Trustwatch 2024 findings to argue that the government's current response is too narrow.
  - PLUGGING THE BLACKHOLE: A DEMOS BRIEFING PAPER: Dan Goss lays out a series of inheritance tax reforms that would raise revenue, make the system fairer and expand public support for tax.
  - THE OPPORTUNITY EFFECT: HOW SOCIAL MOBILITY CAN HELP DRIVE BUSINESS AND THE ECONOMY FORWARD: Billy Huband Thompson makes the business case for social mobility.
  - WINNING HEARTS AND MINDS: HOW REVENUE RAISING REFORMS COULD BUILD SUPPORT FOR INHERITANCE TAXATION: Dan Goss evidences the level of support for Demos's recommended inheritance tax reforms.
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- “IT CAN’T GET ANY WORSE”: AN ONLINE FORUM LISTENING EXERCISE REVEALING HOW PEOPLE TALK ABOUT POVERTY NOW: Sophia Knight, Hannah Perry, Alice Dawson and Aidan Garner conduct an online forum listening exercise to understand experiences of financial hardship in the UK.
  - PLUGGING THE BLACK HOLE: REFORMING INHERITANCE TAX UNLOCK REVENUE AND BUILD PUBLIC SUPPORT: Dan goss proposes a series of inheritance tax reforms that would raise revenue, make the system fairer and expand public support for tax.
  - BEYOND THE STICKING PLASTER: A VISION FOR LONG TERM REFORM OF LOCAL GOVERNMENT FINANCES: Andrew Phillips and Andrew O'Brien make the case for clarity regarding the purpose of local government in England.
  - THE MOTIVATIONAL STATE: A STRENGTHS-BASED APPROACH TO IMPROVING PUBLIC SECTOR PRODUCTIVITY: Alex Fox and Chris Fox propose a shift towards a strengths-based, person-led model to improving public sector productivity.
  - TECH THAT LIBERATES: A NEW VISION FOR EMBEDDING AI IN PUBLIC SERVICE REFORM: Sophia Knight, Elizabeth Seger and Ben Glover explore how to embed AI in public services to support prevention, empower frontline service professionals and improve communication and collaboration.
  - THREADING THE NEEDLE: A LIBERATED APPROACH TO PUBLIC SERVICE TO PUBLIC SERVICE GOVERNANCE STRUCTURES AND DUTIES: Ben Glover provides recommendations for workstream one, governance structure and duties - part of the five policy workstreams set out by Demos’s Future Public Services Workforce.
  - THE REFORM DIVIDEND: A ROADMAP TO LIBERATE PUBLIC SERVICES: Ben Glover presents the final policy recommendations from The Future Public Services Taskforce.
  - TOTAL PLACE+ A LIBERATED APPROACH TO FUNDING PUBLIC SERVICES: Ben Glover provides recommendations for workstream three, funding models - part of the five policy workstreams set out by Demos’s Future Public Services Workforce.
  - BALANCING ACT: A LIBERATED APPROACH TO PUBLIC SERVICE ACCOUNTABILITY: Ben Glover provides recommendations for workstream two, ‘accountability’ - part of the five policy workstreams set out by Demos’s Future Public Services Workforce.
  - THE RESPECT CHARTER: A LIBERATED APPROACH TO THE PUBLIC SERVICE WORKFORCE: Ben Glover and Aidan Garner provide recommendations for workstream four, ‘workforce’ - part of the five policy workstreams set out by Demos’s Future Public Services Workforce.
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**Demos**  
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**Trustees' Annual Report (Incorporating the Director's Report) *(continued)***  
**Year ended 31 December 2024**

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- COUNTING WHAT MATTERS: HOW TO CLASSIFY, ACCOUNT AND TRACK SPENDING FOR PREVENTION: Andrew O'Brien and Anita Charlesworth explore how to measure a preventative approach to problems in public services.

#### **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 2024.

#### **FINANCE REVIEW**

The results of the year's activity are set out in the attached financial statements. Total incoming resources were £1,780,475 a 28% increase of £390,702 on the previous year (£1,389,773). Expenditure for the year was £1,682,037, compared with £1,341,352 in the prior year. The majority of this increase in expenditure being represented by the significant increase in staffing delivering increased research and management. The increase in expenditure is in line with the generation of additional research income.

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

As set out in the Accounting Policies in Note 1.4 to the financial statements, the accounts have been prepared on the going concern basis, i.e. on the basis that the charity will continue in operational existence for the foreseeable future (being at least 12 months from the date of signing the financial statements). The trustees have made this judgement on the grounds that 2019 represented a good base year and that there is every sign that even allowing for the uncertainties of COVID-19 and other factors, the charity will continue to build on this last successful year. The chief executive has taken substantial measures to manage costs and resources and deliver revenues wherever possible, working with the trustees to establish and embed improved governance and financial risk management. The trustees have set an overarching goal to improve net assets, in which the charity holds an appropriate balance of reserves, as soon as possible. This level was reached during 2023.

At the time of writing, Demos' reserves have more than doubled since the end of 2019 and have again grown in 2023 to £ - the highest level it has ever had. During 2024 (the financial year reported) we had a surprise election which has paused fundraising for a period but we are confident that we are in a strong position in 2025 to still complete the year without the use of reserves. The charity retains substantial flexibility on staffing, and would be able to downsize to meet its needs. Therefore the trustees consider the charity is well-placed to withstand the impact of the current political and economic cycle.

#### **RISK ASSESSMENT**

Demos continued to closely manage risks in 2024. We continued to develop project management controls, using technology, training and processes that encourage Demos personnel to recognise and prepare for risk events at project outset and consider "lessons learned" at their conclusion. We continued our "How to Demos" programme to capture our project management, fundraising and HR processes to ensure continuity in a time of change and improve consistency across the team. In addition to this, Demos continued to review its operations against the operational risk register, which was reviewed systematically in September 2024 and again in June 2025. The executive shares responsibility for actively managing all risks on the risk register. All new internal policies relevant to risk areas, including

**Demos**  
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**Year ended 31 December 2024**

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but not limited to employee safeguarding, data protection and anti-fraud, were periodically reviewed in line with best practice.

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

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

#### **Future Development**

Demos ended the year in a strong position and with a strong pipeline of new projects into 2024. The executive team undertook a desk based review of capacity planning for 2025 to ensure we could achieve the new targets being set for the growing team, which gave the exec and board some assurance that we were aiming suitably ambitiously but within our capacity limits. Capacity planning remains a major focus for the effectiveness of the organisation. The election in 2024 disrupted the fundraising cycle but the strong performance in the first part of the year, and in 2023, means this has not presented undue concern. Trustees continue to scrutinise budgets, spending and revenue forecasts to ensure Demos can meet its liabilities as they fall due for the foreseeable future and have therefore prepared the financial statements on the going concern basis. With the merger of Engage Britain and the strong current performance, we remain committed to the participation strategy into 2025 and are planning a new three year strategic review for the midway point of 2025.

#### **Credit risks**

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

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

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

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

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

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

## Demos

### Company Limited by Guarantee

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

Year ended 31 December 2024

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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

## Company Limited by Guarantee

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

Year ended 31 December 2024

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#### Opinion

We have audited the financial statements of Demos (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 December 2024 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 2024 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 2024**

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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 2024

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

# Demos

## Company Limited by Guarantee

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

#### Year ended 31 December 2024

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 Audit Limited  
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 2024

		2024			2023
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
<b>Income and endowments</b>					
Donations and legacies	5	332	–	332	332
Charitable activities	6	1,030,634	686,068	1,716,702	1,361,920
Other trading activities	8	10,025	–	10,025	7,680
Investment income	9	53,415	–	53,415	19,841
<b>Total income</b>		<u>1,094,407</u>	<u>686,068</u>	<u>1,780,475</u>	<u>1,389,773</u>
<b>Expenditure</b>					
Expenditure on charitable activities	10,11	995,969	686,068	1,682,037	1,341,352
Expenditure on trading activities	10	–	–	–	–
<b>Total expenditure</b>		<u>995,969</u>	<u>686,068</u>	<u>1,682,037</u>	<u>1,341,352</u>
<b>Net income and net movement in funds</b>		<u>98,438</u>	<u>–</u>	<u>98,438</u>	<u>48,421</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		455,767	–	455,767	407,346
<b>Total funds carried forward</b>		<u>554,205</u>	<u>–</u>	<u>554,205</u>	<u>455,767</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 24 to 36 form part of these financial statements.

**Demos**  
**Company Limited by Guarantee**  
**Consolidated Statement of Financial Position**  
**31 December 2024**

	Note	2024 £	2023 £
<b>Fixed assets</b>			
Intangible assets	17	17,387	26,027
Tangible fixed assets	18	3,081	10,256
		<u>20,468</u>	<u>36,283</u>
<b>Current assets</b>			
Debtors	19	406,432	314,775
Cash at bank and in hand		1,899,323	1,363,364
		<u>2,305,755</u>	<u>1,678,139</u>
<b>Creditors: amounts falling due within one year</b>	20	1,772,018	1,258,655
<b>Net current assets</b>		<u>533,737</u>	<u>419,484</u>
<b>Total assets less current liabilities</b>		<u>554,205</u>	<u>455,767</u>
<b>Net assets</b>		<u>554,205</u>	<u>455,767</u>
<b>Funds of the charity</b>			
Unrestricted funds		554,205	455,767
Restricted funds		—	—
<b>Total charity funds</b>	23	<u>554,205</u>	<u>455,767</u>

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

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

Dame J Mellor (Chair)  
Trustee

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

**Demos**  
**Company Limited by Guarantee**  
**Statement of Financial Position**  
**31 December 2024**

	Note	2024 £	2023 £
<b>Fixed assets</b>			
Intangible assets	17	17,387	26,027
Tangible fixed assets	18	3,081	10,256
		<u>20,468</u>	<u>36,283</u>
<b>Current assets</b>			
Debtors	19	474,046	303,105
Cash at bank and in hand		1,830,950	1,343,069
		<u>2,304,996</u>	<u>1,646,174</u>
<b>Creditors: amounts falling due within one year</b>	20	1,771,259	1,226,690
<b>Net current assets</b>		<u>533,737</u>	<u>419,484</u>
<b>Total assets less current liabilities</b>		<u>554,205</u>	<u>455,767</u>
<b>Net assets</b>		<u>554,205</u>	<u>455,767</u>
<b>Funds of the charity</b>			
Unrestricted funds		554,205	455,767
Restricted funds		—	—
<b>Total charity funds</b>	21	<u>554,205</u>	<u>455,767</u>

The unrestricted and restricted fund movement for the parent charity in the year are £98,438 surplus (2023: £48,421 surplus) and £Nil (2023: £Nil) respectively.

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 23 to 36 form part of these financial statements.

**Demos**  
**Company Limited by Guarantee**  
**Consolidated Statement of Cash Flows**  
**Year ended 31 December 2024**

	<b>2024</b>	2023
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>		
Net (expenditure)/income	98,438	48,421
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	16,879	14,491
Other interest receivable and similar income	(53,415)	(19,841)
Accrued expenses/(income)	(33,542)	76,590
<i>Changes in:</i>		
Trade and other debtors	(56,922)	24,561
Trade and other creditors	512,170	743,193
Cash generated from operations	483,608	887,415
Interest received	53,415	19,841
Net cash (used in)/from operating activities	537,023	907,256
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(1,064)	(3,297)
Net cash used in investing activities	(1,064)	(3,297)
<b>Net (decrease)/increase in cash and cash equivalents</b>	525,934	903,959
<b>Cash and cash equivalents at beginning of year</b>	1,363,364	459,405
<b>Cash and cash equivalents at end of year</b>	1,889,298	1,363,354

The notes on pages 24 to 37 form part of these financial statements.

**Demos**  
**Company Limited by Guarantee**  
**Notes to the Financial Statements**  
**Year ended 31 December 2024**

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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 2024, 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 2024**

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**Consolidation**

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

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

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

**Judgements and key sources of estimation uncertainty**

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

**Critical judgements**

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

**Foreign currencies**

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

**Fund accounting**

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

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

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

**Incoming resources**

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

# Demos

## Company Limited by Guarantee

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

#### Year ended 31 December 2024

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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.

#### Intangible assets

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

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

#### Amortisation

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

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

# Demos

## Company Limited by Guarantee

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

Year ended 31 December 2024

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#### **Tangible assets**

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

#### **Depreciation**

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

Fixtures and fittings	-	5 years
Computer equipment	-	3 years

#### **Impairment of fixed assets**

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

#### **Financial instruments**

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

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

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

#### **Defined contribution plans**

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

#### **4. Limited by guarantee**

All directors are members of the charitable company and guarantee to contribute to the assets of the company in the event of it being wound up such amounts as may be required not exceeding £1. The number of guarantees at 31 December 2024 was 7 (2023: 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 2024

#### 5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
<b>Donations</b>			
Donations	332	—	332

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

#### 6. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Projects	826,527	414,038	1,240,566
Events and seminars	203,500	—	203,500
Publications and subs	607	30	637
Grant funded research	—	272,000	272,000
	1,030,634	686,068	1,716,703

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

# Demos

## Company Limited by Guarantee

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

Year ended 31 December 2024

#### 7. Analysis of grants

	2024 £	2023 £
<b>Grants to institutions</b>		
Charities and Foundations	691,390	442,725
Commercial organisations	795,337	709,214
Cultural and Educational organisations	48,473	38,953
NPBD	37,250	—
Government department	39,905	—
Non UK organisation	158,095	198,883
Other	10,025	—
Total grants	1,780,475	1,389,775

#### 8. Other trading activities

	Unrestricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Total Funds 2023 £
Other Income	10,025	10,025	7,680	7,680
	10,025	10,025	7,680	7,680

#### 9. Investment income

	Unrestricted Funds £	Total Funds 2024 £	Unrestricted Funds £	Total Funds 2023 £
Bank interest receivable	53,415	53,415	19,841	19,841

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

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Projects	688,763	686,068	1,374,831
Events and seminars	65,960	—	65,960
Support costs	241,246	—	241,246
	995,969	686,068	1,682,037

  

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

# Demos

## Company Limited by Guarantee

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

#### Year ended 31 December 2024

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

	Activities undertaken directly £	Support costs £	Total funds 2024 £	Total funds 2023 £
Projects	1,374,831	202,817	1,577,648	1,257,736
Events and seminars	65,960	–	65,960	51,578
Governance costs	–	38,429	38,429	32,038
	1,440,791	241,246	1,682,037	1,341,352

#### 12. Analysis of support costs

	Projects £	Events & Seminars £	Publications & Subscriptions £	Total 2024 £	Total 2023 £
Premises	83,812	4,656	4,656	93,124	86,330
General office	20,376	1,132	1,132	22,640	9,077
Support costs - Other costs	97,743	5,430	5,430	108,603	83,436
Support costs - Amortisation	7,415	412	412	8,239	–
Support costs - Depreciation	7,776	432	432	8,640	14,491
	215,753	12,062	12,062	241,246	193,334

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

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

	2024 £	2023 £
Amortisation of intangible assets	8,640	13,093
Depreciation of tangible fixed assets	8,239	14,491
Foreign exchange differences	–	–

#### 14. Auditors remuneration

	2024 £	2023 £
Fees payable for the audit of the financial statements	7,950	7,075
Fees payable for tax advisory services	575	575
Fees payable for non-audit services	5,000	4,725
	13,525	12,375

During the year, the company's auditor changed from Burgess Hodgson LLP to Burgess Hodgson Audit Limited following a change in legal structure of the audit firm. The responsible individual remains the same.

# Demos

## Company Limited by Guarantee

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

#### Year ended 31 December 2024

#### 15. Staff costs

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

	2024 £	2023 £
Wages and salaries	963,846	730,118
Social security costs	102,155	70,178
Employer contributions to pension plans	53,075	36,492
	<u>1,119,076</u>	<u>836,788</u>

Total remuneration paid to key management personnel, including benefits such as employer pension contributions, amounted to £162,266 (2023: £115,831).

The average head count of employees during the year was 21 (2023: 18). The average number of full-time equivalent employees during the year is analysed as follows:

	2024 No.	2023 No.
Projects	17	14
External affairs	3	3
Support costs	1	1
	<u>21</u>	<u>18</u>

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

	2024 No.	2023 No.
£60,000 to £69,999	0	1
£70,000 to £79,999	0	1
£80,000 to £89,999	2	0
£90,000 to £99,999	0	0
£100,000 to £109,999	0	0
£110,000 to £119,999	1	1
	<u>3</u>	<u>3</u>

#### 16. Trustee remuneration and expenses

During the year, no Trustees received any remuneration or benefits in kind (2023: £nil). During the year, no Trustees received reimbursement of expenses (2023: £nil).

# Demos

## Company Limited by Guarantee

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

#### Year ended 31 December 2024

#### 17. Intangible assets

	Website £
<b>Cost</b>	
At 1 January 2024 and 31 December 2024	39,120
<b>Amortisation</b>	
At 1 January 2024	13,093
Charge for the year	8,640
<b>At 31 December 2024</b>	21,733
<b>Carrying amount</b>	
At 31 December 2024	17,387
At 31 December 2023	26,027

#### 18. Tangible fixed assets

	Fixtures and fittings £	Computer Equipment £	Total £
<b>Cost</b>			
At 1 January 2024	5,654	21,047	26,701
Additions	–	1,064	1,064
<b>At 31 December 2024</b>	5,654	21,047	27,765
<b>Depreciation</b>			
At 1 January 2024	4,163	12,282	16,445
Charge for the year	773	7,466	8,239
<b>At 31 December 2024</b>	4,936	19,748	24,684
<b>Carrying amount</b>			
At 31 December 2024	718	2,363	3,081
At 31 December 2023	1,491	8,765	10,256

#### 19. Debtors

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	2023	<b>2024</b>	2023
	£	£	£	£
Trade debtors	275,174	162,439	275,174	164,670
Prepayments and accrued income	96,103	75,554	96,103	75,554
Other debtors	35,155	46,562	102,769	62,881
	406,432	284,585	474,046	303,105

# Demos

## Company Limited by Guarantee

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

#### Year ended 31 December 2024

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

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Trade creditors	23,881	72,346	23,881	72,346
Accruals and deferred income	1,605,206	1,060,683	1,604,481	1,060,683
Social security and other taxes	122,409	85,074	122,409	85,074
Other creditors	20,522	10,302	20,488	8,587
	<u>1,772,018</u>	<u>1,228,465</u>	<u>1,771,259</u>	<u>1,226,690</u>

#### 21. Deferred income

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
At 1 January 2024	963,437	92,820	963,437	92,820
Amount released to income	(963,437)	(92,820)	(963,437)	(92,820)
Amount deferred in year	<u>1,506,042</u>	<u>963,437</u>	<u>1,506,042</u>	<u>963,437</u>
At 31 December 2024	<u>1,506,042</u>	<u>963,437</u>	<u>1,506,042</u>	<u>963,437</u>

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

##### Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £53,075 (2023: £36,942).

#### 23. Analysis of charitable funds

##### Unrestricted funds

##### Group and company

	At 1 January 2024	Income	Expenditure	At 31 December 2024
	£	£	£	£
General funds	<u>455,767</u>	<u>1,094,407</u>	<u>(995,969)</u>	<u>554,205</u>

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

# Demos

## Company Limited by Guarantee

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

#### Year ended 31 December 2024

Company	At 1 January 2024 £	Income £	Expenditure £	At 31 December 2024 £
General funds	455,767	1,080,703	(982,265)	554,205

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

#### Restricted funds

#### Group and company

The subsidiaries have no restricted funds.

	At 1 January 2024 £	Income £	Expenditure £	At 31 December 2024 £
Misinformation Classroom Interventions	–	11,006	(11,006)	–
FLTNs and Conspiracy	–	101,281	(101,281)	–
Youth Hubs	–	35,584	(35,584)	–
AI Election Pledge	–	31,388	(31,388)	–
Inheritance	–	109,200	(109,200)	–
Social Media Listening	–	74,800	(74,800)	–
Health Foundation	–	40,130	(40,130)	–
Citizens White Paper	–	71,165	(71,165)	–
Collaborative Democracy Network	–	33,513	(33,513)	–
Trust in elections	–	48,050	(48,050)	–
Citizen Mission	–	20,000	(20,000)	–
Unlocking housebuilding	–	22,134	(22,134)	–
Engage Britain	–	87,818	(87,818)	–
	–	686,068	(686,068)	–

# Demos

## Company Limited by Guarantee

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

#### Year ended 31 December 2024

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

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

##### Group

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Total fixed assets	20,468	–	20,468
Current assets	2,305,755	–	2,305,755
Creditors less than 1 year	(1,772,018)	–	(1,772,018)
<b>Net assets</b>	<b>554,205</b>	<b>–</b>	<b>554,205</b>

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

# Demos

## Company Limited by Guarantee

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

#### Year ended 31 December 2024

Company	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Tangible fixed assets	20,468	–	20,468
Current assets	2,304,996	–	2,304,996
Creditors less than 1 year	(1,771,259)	–	(1,771,259)
<b>Net assets</b>	<b>554,205</b>	<b>–</b>	<b>554,205</b>

  

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

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

Group	At 1 Jan 2024 £	Cash flows £	At 31 Dec 2024 £
Cash at bank and in hand	1,363,364	535,959	1,899,323

  

Company	At 1 Jan 2024 £	Cash flows £	At 31 Dec 2024 £
Cash at bank and in hand	1,343,069	487,881	1,830,950

#### 26. Operating lease commitments

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

	2024 £	2023 £
Not later than 1 year	57,404	67,248
Later than 1 year and not later than 5 years	116,809	176,819
	<b>174,013</b>	<b>244,067</b>

**Demos**  
**Company Limited by Guarantee**  
**Notes to the Detailed Statement of Financial Activities**  
**Year ended 31 December 2024**

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**27. Related parties**

**Company**

At the balance sheet date £67,840 (2023: £30,190) was owed from a company under common control.