

Registration number: 10187396

# Open Society Foundation London

Annual Report and Financial Statements

for the Period from 18 May 2016 to 31 December 2016

Critchleys LLP  
Registered Auditors  
Beaver House  
23-38 Hythe Bridge Street  
Oxford  
OX1 2EP

TUESDAY



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## Open Society Foundation London

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# Open Society Foundation London

## Company Information

<b>Directors</b>	Christopher Stone Alexander Soros Anatole Kaletsky
<b>Registered office</b>	7th Floor Millbank Tower 21-24 Millbank London SW1P 4QP
<b>Solicitors</b>	Bates Wells & Braithwaite London LLP 2-6 Cannon Street London EC4M 6YH
<b>Auditors</b>	Critchleys LLP Registered Auditors Beaver House 23-38 Hythe Bridge Street Oxford OX1 2EP

## Open Society Foundation London

### Strategic Report for the Period from 18 May 2016 to 31 December 2016

The directors present their strategic report for the period from 18 May 2016 to 31 December 2016.

#### Principal activity

The principal activity of the company is to promote open society values worldwide.

#### Fair review of the business

Open Society Foundation London (OSF London) is a “not-for-profit” and is part of the Open Society Foundation network “family” of organisations and receives grant funding from sources within the network equal to its net expenditure.

OSF London acquired the operations, assets and liabilities of Open Society Foundation, a UK charity, effective 17 October 2016.

OSF London works in partnership with other organisations within the Open Society Foundation network to promote open society values worldwide. Programs run by OSF London in partnership with other Open Society Foundation network organisations include:

- Africa Regional Office
- Early Childhood Programme
- Education Support Programme
- Eurasia Programme
- Higher Education Support Programme
- Human Rights Initiative
- Independent Journalism Programme
- Information Programme
- International Migration Initiative
- Open Society Initiative for Europe (Migration and Inclusion Unit)
- Open Society Justice Initiative
- Scholarship Programmes

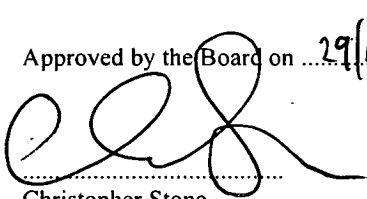
Information on the work of these programs is available at [www.opensocietyfoundations.org](http://www.opensocietyfoundations.org).

Because OSF London receives grant funding equal to its net expenditure the surplus for the financial period and equity at year end are equal to the value of tangible assets.

#### Principal risks and uncertainties

OSF London has secure grant funding arrangements and therefore does not face significant business risks.

Approved by the Board on 29/6/17 and signed on its behalf by:



Christopher Stone  
Director

## Open Society Foundation London

### Directors' Report for the Period from 18 May 2016 to 31 December 2016

The directors present their report and the financial statements for the period from 18 May 2016 to 31 December 2016.

#### **Incorporation**

The company was incorporated on 18 May 2016.

#### **Directors of the company**

The directors who held office during the period were as follows:

Christopher Stone (appointed 18 May 2016)

Alexander Soros (appointed 5 October 2016)

Anatole Kaletsky (appointed 5 October 2016)

Darius Cuplinskas (appointed 18 May 2016 and resigned 5 October 2016)

Martin Saurma-Jeltsch (appointed 18 May 2016 and resigned 5 October 2016)

#### **Financial instruments**

Because the company has secure grant funding arrangements it is not subject to noteworthy liquidity or cash flow risks and does not use financial instruments.

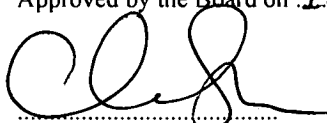
#### **Future developments**

OSF London will continue to work in partnership with other entities in the Open Society Foundation network "family" of organisations and collaborate on new global initiatives as they arise.

#### **Disclosure of information to the auditors**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved by the Board on 29/6/17 and signed on its behalf by:



Christopher Stone  
Director

## **Open Society Foundation London**

### **Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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

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

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

## **Open Society Foundation London**

### **Independent Auditor's Report to the Members of Open Society Foundation London**

We have audited the financial statements of Open Society Foundation London for the period from 18 May 2016 to 31 December 2016, set out on pages 7 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 (United Kingdom Generally Accepted Accounting Practice).

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

#### **Respective responsibilities of directors and auditor**

As explained more fully in the Statement of Directors' Responsibilities (set out on page 4), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors to the financial statements.

#### **Scope of the audit of the financial statements**

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

#### **Opinion on the financial statements**

In our opinion the financial statements:

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

**Open Society Foundation London**

**Independent Auditor's Report to the Members of Open Society Foundation London**

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

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

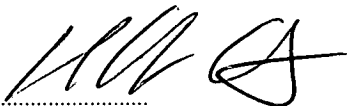
- the information given in the Strategic Report and Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

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

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



.....  
Robert Kirtland (Senior Statutory Auditor)  
For and on behalf of Critchleys LLP, Statutory Auditor

Beaver House  
23-38 Hythe Bridge Street  
Oxford  
OX1 2EP

Date: 21/7/2017



## Open Society Foundation London

### Income and Expenditure Account for the Period from 18 May 2016 to 31 December 2016

	Note	Total 31 December 2016 £
Income	3	8,934,303
Administrative expenses		<u>(8,388,205)</u>
Operating surplus	4	546,098
Other interest receivable and similar income	5	<u>335</u>
Surplus before tax		<u>546,433</u>
Surplus for the financial period		<u><u>546,433</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the period other than the results above.

The notes on pages 12 to 17 form an integral part of these financial statements.

**Open Society Foundation London**

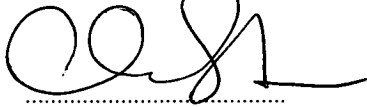
**Statement of Comprehensive Income for the Period from 18 May 2016 to 31 December  
2016**

	Note	2016 £
Surplus for the period		<u>546,433</u>
Total comprehensive income for the period		<u><u>546,433</u></u>

**Open Society Foundation London**  
**(Registration number: 10187396)**  
**Balance Sheet as at 31 December 2016**

	Note	2016 £
<b>Fixed assets</b>		
Tangible assets	8	546,433
<b>Current assets</b>		
Debtors	9	1,887,205
Cash at bank and in hand		<u>3,467,902</u>
		5,355,107
<b>Creditors: Amounts falling due within one year</b>	11	<u>(5,355,107)</u>
<b>Net current assets/(liabilities)</b>		<u>-</u>
<b>Net assets</b>		<u>546,433</u>
<b>Capital and reserves</b>		
Profit and loss account		<u>546,433</u>
<b>Total equity</b>		<u>546,433</u>

Approved and authorised for issue by the Board on 29/6/17 and signed on its behalf by:



.....  
Christopher Stone  
Director

**Open Society Foundation London**

**Statement of Changes in Equity for the Period from 18 May 2016 to 31 December 2016**

	<b>Profit and loss account £</b>	<b>Total £</b>
Surplus for the period	<u>546,433</u>	<u>546,433</u>
Total comprehensive income	<u>546,433</u>	<u>546,433</u>
At 31 December 2016	<u>546,433</u>	<u>546,433</u>

The notes on pages 12 to 17 form an integral part of these financial statements.  
Page 10

## Open Society Foundation London

### Statement of Cash Flows for the Period from 18 May 2016 to 31 December 2016

	Note	2016 £
<b>Cash flows from operating activities</b>		
Surplus for the period		546,433
Adjustments to cash flows from non-cash items		
Depreciation and amortisation	4	32,473
Finance income	5	<u>(335)</u>
		578,571
Working capital adjustments		
Increase in debtors	9	(1,887,205)
Increase in creditors	11	3,893,450
Increase in deferred income		<u>1,461,657</u>
Net cash flow from operating activities		<u>4,046,473</u>
<b>Cash flows from investing activities</b>		
Interest received	5	335
Acquisitions of tangible assets		<u>(578,906)</u>
Net cash flows from investing activities		<u>(578,571)</u>
Net increase in cash and cash equivalents		3,467,902
Cash and cash equivalents at 18 May		<u>-</u>
Cash and cash equivalents at 31 December		<u><u>3,467,902</u></u>

The notes on pages 12 to 17 form an integral part of these financial statements.

## **Open Society Foundation London**

### **Notes to the Financial Statements for the Period from 18 May 2016 to 31 December 2016**

#### **1 General information**

The company is a company limited by guarantee incorporated in United Kingdom. It is classed as a public benefit entity under Financial Reporting Standard 102.

The address of its registered office is:

7th Floor Millbank Tower

21-24 Millbank

London

SW1P 4QP

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

##### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value. The functional and presentational currency is sterling.

##### **Disclosure of long or short period**

The 2016 financial statements are for a short period from incorporation until the accounting reference date. The income and expenditure included in the 2016 financial statements is therefore not representative of a full year's activity.

##### **Revenue recognition**

All income is included in the income and expenditure account when the company is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Open Society Foundation London receives income from the Foundation to Promote Open Society (FPOS) and the Fund for Policy Reform Inc. equal to its net expenditure calculated by reference to agreed budgets. Any income received in excess of the net expenditure is therefore treated as deferred income. A debtor is recognised when the relevant income received is less than the amount due for the year.

##### **Grants payable**

Grants are recognised within expenditure when they have been approved by the company and this has been communicated to the beneficiary.

## Open Society Foundation London

### Notes to the Financial Statements for the Period from 18 May 2016 to 31 December 2016

#### Foreign currency transactions and balances

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the income and expenditure account.

#### Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

#### Depreciation

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Leasehold improvements	Over the period of the lease
Furniture, fittings and equipment	3-5 years straight line basis

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### Trade debtors

Debtors are recognised initially at the transaction price. A provision for the impairment of debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

#### Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price.

#### Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

## Open Society Foundation London

### Notes to the Financial Statements for the Period from 18 May 2016 to 31 December 2016

#### 3 Income

The analysis of the company's income for the period from continuing operations is as follows:

	<b>2016</b>
	<b>£</b>
Grants receivable	<u>8,934,303</u>

#### 4 Operating surplus

Arrived at after charging/(crediting)

	<b>2016</b>
	<b>£</b>
Depreciation expense	32,473
Foreign exchange gains	<u>(46,649)</u>

#### 5 Other interest receivable and similar income

	<b>2016</b>
	<b>£</b>
Interest income on bank deposits	<u>335</u>

#### 6 Staff costs

The aggregate payroll costs were as follows:

	<b>2016</b>
	<b>£</b>
Wages and salaries	1,980,630
Social security costs	263,286
Other short-term employee benefits	47,117
Pension costs, defined contribution scheme	183,697
Other employee expense	<u>180,088</u>
	<u>2,654,818</u>

There was no directors' remuneration in the period.

The average number of persons employed by the company during the period, analysed by category was as follows.

	<b>2016</b>
	<b>No.</b>
Program	103
Support	<u>21</u>
	<u>124</u>



## Open Society Foundation London

### Notes to the Financial Statements for the Period from 18 May 2016 to 31 December 2016

#### 7 Auditors' remuneration

	<b>2016</b> <b>£</b>
Audit of the financial statements	7,200
<b>Other fees to auditors</b>	
All other assurance services	4,200

#### 8 Tangible assets

	<b>Land and buildings</b> <b>£</b>	<b>Furniture, fittings and equipment</b> <b>£</b>	<b>Total</b> <b>£</b>
<b>Cost or valuation</b>			
Additions	46,206	532,700	578,906
At 31 December 2016	46,206	532,700	578,906
<b>Depreciation</b>			
Charge for the period	4,951	27,522	32,473
At 31 December 2016	4,951	27,522	32,473
<b>Carrying amount</b>			
At 31 December 2016	41,255	505,178	546,433

Included within the net book value of land and buildings above is £41,255 in respect of short leasehold land and buildings.

## Open Society Foundation London

### Notes to the Financial Statements for the Period from 18 May 2016 to 31 December 2016

#### 9 Debtors

	2016 £
Other debtors	106,098
Prepayments	495,175
Accrued income	<u>1,285,932</u>
	1,887,205
Less non-current portion	<u>(85,679)</u>
Total current trade and other debtors	<u><u>1,801,526</u></u>

#### 10 Cash and cash equivalents

	2016 £
Cash at bank	<u><u>3,467,902</u></u>

#### 11 Creditors

	2016 £	Note
<b>Due within one year</b>		
Trade creditors	1,125,885	
Social security and other taxes	397,464	
Grants payable	2,108,210	
Accrued expenses	261,891	
Deferred income	<u>1,461,657</u>	
	<u><u>5,355,107</u></u>	

#### 12 Pension and other schemes

##### Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £183,697.

## Open Society Foundation London

### Notes to the Financial Statements for the Period from 18 May 2016 to 31 December 2016

#### 13 Obligations under leases and hire purchase contracts

##### Operating leases

The total of future minimum lease payments is as follows:

	2016 £
Not later than one year	1,192,171
Later than one year and not later than five years	2,855,263
Later than five years	177,796
	<u>4,225,230</u>

#### 14 Related party transactions

##### Key management compensation

	2016 £
Salaries and other short term employee benefits	<u>97,024</u>

##### Summary of transactions with parent

Open Society Institute New York

Parent

During the period the company purchased fixed asset equipment of £304,466 from Open Society Foundation New York. At the period end an amount of £304,466 was owed to Open Society Institute New York.

##### Summary of transactions with entities with joint control or significant interest

Foundation to Promote Open Society and Fund for Policy Reform, Inc

Common control

During the period the company received grants of £8,934,303 from the above entities. At the period end there was accrued income of £1,285,932 in respect of Fund for Policy Reform, Inc and deferred income of £1,461,657 of deferred income from Foundation to Promote Open Society.

#### 15 Parent and ultimate parent undertaking

The company's immediate parent is Open Society Institute New York, incorporated in the USA.