

Registration number: 10187396

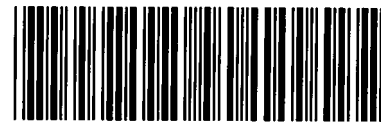
Open Society Foundation London

Annual Report and Financial Statements

for the Year Ended 31 December 2017

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

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Open Society Foundation London

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Open Society Foundation London

Company Information

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

Open Society Foundation London

Strategic Report for the Year Ended 31 December 2017

The directors present their strategic report for the year ended 31 December 2017.

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
- Economic Advancement Programme

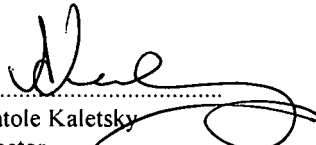
Information on the work of these programs is available at www.opensocietyfoundations.org.

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 18/1/2018 and signed on its behalf by:


.....
Anatole Kaletsky
Director

Open Society Foundation London

Directors' Report for the Year Ended 31 December 2017

The directors present their report and the financial statements for the year ended 31 December 2017.

Directors of the company

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

Christopher Stone (resigned 11 September 2017)

Alexander Soros

Anatole Kaletsky

The following director was appointed after the year end:

Patrick Gaspard (appointed 1 January 2018)

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 1.8/6/2018 and signed on its behalf by:


.....
Anatole Kaletsky
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 profit or loss 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

Opinion

We have audited the financial statements of Open Society Foundation London (the 'company') for the year ended 31 December 2017, which comprise the Income and Expenditure Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

Open Society Foundation London

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

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.

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 year 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.

Matters on which we are required to report by exception

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.

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.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Open Society Foundation London

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



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

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

Date:.....

26/6/2018

Open Society Foundation London

Income and Expenditure Account for the Year Ended 31 December 2017

	Note	2017 £	2016 £
Income	3	29,770,964	8,934,303
Administrative expenses		<u>(29,589,030)</u>	<u>(8,388,205)</u>
Operating surplus	4	181,934	546,098
Other interest receivable and similar income	5	<u>6,031</u>	<u>335</u>
Surplus before tax		<u>187,965</u>	<u>546,433</u>
Surplus for the financial year		<u><u>187,965</u></u>	<u><u>546,433</u></u>

The above results were derived from continuing operations.

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

Open Society Foundation London

Statement of Comprehensive Income for the Year Ended 31 December 2017

	2017 £	2016 £
Surplus for the year	<u>187,965</u>	<u>546,433</u>
Total comprehensive income for the year	<u><u>187,965</u></u>	<u><u>546,433</u></u>

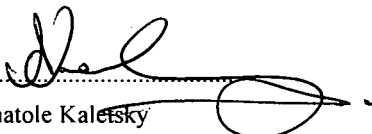
The notes on pages 13 to 18 form an integral part of these financial statements.

Open Society Foundation London

(Registration number: 10187396)
Balance Sheet as at 31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	8	734,398	546,433
Current assets			
Debtors	9	4,542,128	1,887,205
Cash at bank and in hand		<u>2,909,360</u>	<u>3,467,902</u>
		7,451,488	5,355,107
Creditors: Amounts falling due within one year	11	<u>(7,451,488)</u>	<u>(5,355,107)</u>
Net current assets/(liabilities)		<u>-</u>	<u>-</u>
Net assets		<u>734,398</u>	<u>546,433</u>
Capital and reserves			
Profit and loss account		<u>734,398</u>	<u>546,433</u>
Total equity		<u>734,398</u>	<u>546,433</u>

Approved and authorised for issue by the Board on 18/6/2019 and signed on its behalf by:


.....
Anatole Kaletsky
Director

Open Society Foundation London

Statement of Changes in Equity for the Year Ended 31 December 2017

	Profit and loss account £	Total £
At 1 January 2017	546,433	546,433
Surplus for the year	187,965	187,965
Total comprehensive income	187,965	187,965
At 31 December 2017	734,398	734,398
	Profit and loss account £	Total £
Surplus for the year	546,433	546,433
Total comprehensive income	546,433	546,433
At 31 December 2016	546,433	546,433

The notes on pages 13 to 18 form an integral part of these financial statements.
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Open Society Foundation London

Statement of Cash Flows for the Year Ended 31 December 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Profit for the year		187,965	546,433
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	4	275,071	32,473
Loss on disposal of tangible assets		26,593	-
Finance income	5	<u>(6,031)</u>	<u>(335)</u>
		483,598	578,571
Working capital adjustments			
Increase in debtors	9	(2,654,923)	(1,887,205)
Increase in creditors	11	3,558,038	3,893,450
(Decrease)/increase in deferred income		<u>(1,461,657)</u>	<u>1,461,657</u>
Net cash flow from operating activities		<u>(74,944)</u>	<u>4,046,473</u>
Cash flows from investing activities			
Interest received	5	6,031	335
Acquisitions of tangible assets		(492,253)	(578,906)
Proceeds from sale of tangible assets		<u>2,624</u>	<u>-</u>
Net cash flows from investing activities		<u>(483,598)</u>	<u>(578,571)</u>
Net (decrease)/increase in cash and cash equivalents		(558,542)	3,467,902
Cash and cash equivalents at 1 January		<u>3,467,902</u>	<u>-</u>
Cash and cash equivalents at 31 December		<u><u>2,909,360</u></u>	<u><u>3,467,902</u></u>

The notes on pages 13 to 18 form an integral part of these financial statements.

Open Society Foundation London

Notes to the Financial Statements for the Year Ended 31 December 2017

1 General information

The company is 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, 18 May 2016, 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.

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.

Open Society Foundation London

Notes to the Financial Statements for the Year Ended 31 December 2017

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.

3 Income

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

	2017	2016
	£	£
Grants receivable	<u>29,770,964</u>	<u>8,934,303</u>

Open Society Foundation London

Notes to the Financial Statements for the Year Ended 31 December 2017

4 Operating profit

Arrived at after charging/(crediting)

	2017	2016
	£	£
Depreciation expense	275,071	32,473
Foreign exchange gains	(63,682)	(46,649)
Loss on disposal of property, plant and equipment	<u>26,593</u>	<u>-</u>

5 Other interest receivable and similar income

	2017	2016
	£	£
Interest income on bank deposits	<u>6,031</u>	<u>335</u>

6 Staff costs

The aggregate payroll costs were as follows:

	2017	2016
	£	£
Wages and salaries	9,441,060	1,980,630
Social security costs	1,223,349	263,286
Other short-term employee benefits	413,619	47,117
Pension costs, defined contribution scheme	1,096,304	183,697
Termination payments	225,288	-
Other employee expense	<u>582,508</u>	<u>180,088</u>
	<u>12,982,128</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 year, analysed by category was as follows.

	2017	2016
	No.	No.
Program	110	103
Support	<u>23</u>	<u>21</u>
	<u>133</u>	<u>124</u>

Open Society Foundation London

Notes to the Financial Statements for the Year Ended 31 December 2017

7 Auditors' remuneration

	2017 £	2016 £
Audit of the financial statements	<u>13,200</u>	<u>7,200</u>
Other fees to auditors		
All other assurance services	8,040	4,200
All other non-audit services	<u>3,000</u>	<u>-</u>
	<u>11,040</u>	<u>4,200</u>

8 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Total £
Cost or valuation			
At 1 January 2017	46,206	532,700	578,906
Additions	-	492,253	492,253
Disposals	-	<u>(32,611)</u>	<u>(32,611)</u>
At 31 December 2017	<u>46,206</u>	<u>992,342</u>	<u>1,038,548</u>
Depreciation			
At 1 January 2017	4,951	27,522	32,473
Charge for the period	19,801	255,269	275,070
Eliminated on disposal	-	<u>(3,393)</u>	<u>(3,393)</u>
At 31 December 2017	<u>24,752</u>	<u>279,398</u>	<u>304,150</u>
Carrying amount			
At 31 December 2017	<u>21,454</u>	<u>712,944</u>	<u>734,398</u>
At 31 December 2016	<u>41,255</u>	<u>505,178</u>	<u>546,433</u>

Included within the net book value of land and buildings above is £21,454 (2016 - £41,255) in respect of short leasehold land and buildings.

Open Society Foundation London

Notes to the Financial Statements for the Year Ended 31 December 2017

9 Debtors

	2017	2016
	£	£
Other debtors	97,891	106,098
Prepayments	600,367	495,175
Accrued income	<u>3,843,870</u>	<u>1,285,932</u>
	4,542,128	1,887,205
Less non-current portion	<u>(85,679)</u>	<u>(85,679)</u>
Total current trade and other debtors	<u><u>4,456,449</u></u>	<u><u>1,801,526</u></u>

10 Cash and cash equivalents

	2017	2016
	£	£
Cash at bank	<u><u>2,909,360</u></u>	<u><u>3,467,902</u></u>

11 Creditors

	2017	2016
	£	£
Due within one year		
Trade creditors	1,754,021	1,125,885
Social security and other taxes	523,601	397,464
Grants payable	4,741,938	2,108,210
Accrued expenses	431,928	261,891
Deferred income	<u>-</u>	<u>1,461,657</u>
	<u><u>7,451,488</u></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 year represents contributions payable by the company to the scheme and amounted to £1,096,304 (2016 - £183,697).

Open Society Foundation London

Notes to the Financial Statements for the Year Ended 31 December 2017

13 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2017	2016
	£	£
Not later than one year	866,391	1,192,171
Later than one year and not later than five years	2,166,667	2,855,263
Later than five years	-	177,796
	<u>3,033,058</u>	<u>4,225,230</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £1,195,454 (2016 - £264,852).

14 Related party transactions

Key management compensation

	2017	2016
	£	£
Salaries and other short term employee benefits	<u>386,751</u>	<u>97,024</u>

Summary of transactions with parent

Open Society Institute

Parent

During the year the company purchased fixed asset equipment of £nil (2016: £304,466) from Open Society Institute. At the year end an amount of £nil (2016: £304,466) was owed to Open Society Institute.

During the year a credit note was issued to Open Society Institute in regards to the previous year purchase of fixed asset equipment totalling £304,466.

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 year the company received grants of £29,770,964 (2016: £8,934,303) from the above entities. At the year end there was accrued income of £1,291,240 (2016: £1,285,932) in respect of Fund for Policy Reform, Inc and accrued income of £2,552,631 (2016: £1,461,657 deferred income) from Foundation to Promote Open Society.

15 Parent and ultimate parent undertaking

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