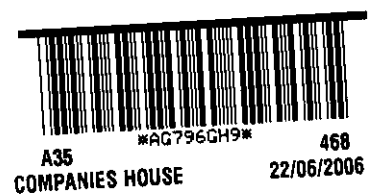


Registered number
04807614

The openDemocracy Foundation for the
Advancement of Global Education

Report and Accounts

31 December 2005



The openDemocracy Foundation for the Advancement of Global Education
Report and accounts
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**The openDemocracy Foundation for the Advancement of Global Education
Company Information**

Directors

A H Barnett
C J M Hardie CBE
T Gitlin
C Bustani
P Gilroy
M Kaldor

Secretary

A H Barnett

Accountants

Linn Maggs Goldwin
Suite 32-35, London Fruit Exchange
Brushfield Street
London
E1 6EU

Registered office

23-25 Great Sutton Street
London
EC1N 0DN

Registered number

04807614

The openDemocracy Foundation for the Advancement of Global Education Directors' Report

The directors present their report and accounts for the year ended 31 December 2005.

Principal activities

The company is a not for profit company. The objects of the company are as follows:

- to strive to continue the publication of openDemocracy.net published by openDemocracy Ltd. and retain the name of the magazine and the company to preserve its spirit, independence and not-for-profit character.
- to encourage the advancement of education, nationally and internationally, in fields of social, environmental, political and biological sciences, including all forms of current affairs, economics, law, the arts and media communication and other recognised scholarly subjects and the provision of global forums and democratic and participatory exchange, either free of charge or subject to charge, and all commercial activities required for the promotion of these activities.
- to promote and publish magazines, articles and all forms of publications and broadcasting especially on the internet in pursuit of the above activities.
- to encourage and promote research and discussion, in particular in relation to the above activities.
- to enrich the company in any way that may help provide a secure financial context for openDemocracy.net and openDemocracy Ltd. by strengthening the resources of the company.

In furtherance of the above objects, on 18 August 2004 the entire issued share capital of openDemocracy Limited, comprising 2 ordinary shares of £1 each, was transferred to the company at par value.

The directors intend that the company remain solely as a holding company and will not trade.

Legal status

The company is limited by guarantee and does not have a share capital. The liability of the members is limited to £10 each.

The openDemocracy Foundation for the Advancement of Global Education Directors' Report

Directors

The directors who served during the period were as follows:

A H Barnett
C J M Hardie CBE
T Gitlin
C Bustani
P Gilroy
M Kaldor
I N Hilton (Resigned 18 March 2005)

Small company special provisions

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the board on

20 June 06

A handwritten signature in black ink, appearing to read 'A H Barnett', with a stylized flourish at the end.

A H Barnett
Director

The openDemocracy Foundation for the Advancement of Global Education Chartered Accountants' Report

Chartered Accountants' Report to the Board of Directors on the unaudited accounts of The openDemocracy Foundation for the Advancement of Global Education

In accordance with the engagement letter dated 2 March 2006, and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the accounts of the company which comprise the Profit and Loss Account, the Balance Sheet and the related notes from the accounting records and information and explanations you have given to us.

This report is made to the Company's Board of Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the accounts that we have been engaged to compile, report to the Company's Board of Directors that we have done so, and state those matters that we have agreed to state to them in this 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 Board of Directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of accounts.

You have acknowledged on the balance sheet as at 31 December 2005 your duty to ensure that the company has kept proper accounting records and to prepare accounts that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the accounts. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the accounts.

Linn Maggs Goldwin

Linn Maggs Goldwin
Chartered Accountants

Suite 32-35, London Fruit Exchange
Brushfield Street
London
E1 6EU

20 June 2006

The openDemocracy Foundation for the Advancement of Global Education
Profit and Loss Account
for the year ended 31 December 2005

	Notes	2005 £	2004 £
Operating profit		-	-
Profit on ordinary activities before taxation		-	-
Tax on profit on ordinary activities		-	-
Profit for the year		-	-
Retained profit for the year		-	-

The openDemocracy Foundation for the Advancement of Global Education
Balance Sheet
as at 31 December 2005

	Notes	2005 £	2004 £
Fixed assets			
Investments	2	2	2
Current liabilities		2	2
Net assets		<u>-</u>	<u>-</u>
Capital and reserves		-	-
Shareholders' funds		<u>-</u>	<u>-</u>

The directors are satisfied that the company is entitled to exemption under Section 249A(1) of the Companies Act 1985 and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with Section 221 of the Companies Act 1985; and
- (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226 of the Companies Act 1985, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

The accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985.



A H Barnett

Director

Approved by the board on

20 June '06

The openDemocracy Foundation for the Advancement of Global Education
Notes to the Accounts
for the year ended 31 December 2005

1 Accounting policies

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

Group accounts

The financial statements contain information about The openDemocracy Foundation for the Advancement of Global Education as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 248 of the Companies Act 1985 from the requirement to prepare consolidated financial statements as the group it heads qualifies as a small group.

2 Investments

	Investments in subsidiary undertakings £
Cost	
At 1 January 2005	2
Additions	-
Disposals	-
At 31 December 2005	<u>2</u>

The company holds 20% or more of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
openDemocracy Limited	England and Wales	Ordinary	100

The audited financial statements of openDemocracy Limited for the year ended 31 December 2005 show a net loss for the year after tax of £418,513 and net liabilities of £877,264.

3 Controlling party

As the company is limited by guarantee, no one individual has a controlling interest.