Docusign Envelope ID: ABEFC5E4-EEFA-8E96-8233-1388CD8DB01F

Democratys

Registered charity no. 1203611

Our work from 2025 into 2026

Educating the public on threats to democracy in the UK

October 2026
www.democratys.org.uk

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Purpose and public benefit

Democratys (registered charity 1203611) exists to educate the public about threats to democracy in the UK. We focus in particular on foreign interference and the hidden routes by which money can enter our politics. Everything we did in 2025 and 2026 was designed to further that educational purpose.

Our work reaches the public in two ways. We explain these threats directly, through our podcast, events and published material. And we make sure the people who shape the rules, parliamentarians of every party, officials and regulators, have accurate, well-evidenced information to work from. The trustees have kept all of this work non-partisan and within Charity Commission guidance on campaigning and political activity (CC9), and have reviewed it against our objects at each stage.

The public benefit is a public debate about the integrity of our elections grounded in evidence rather than assumption and a better-informed electorate.

In our last annual report we set out our ambition to expand our advocacy work in 2025. Here we set out how we have achieved that.

2025: from public education to evidence

Starting the year with public education. Our first podcast series, *Ctrl Alt Deceit: Democracy in Danger*, presented by Nina dos Santos and Owen Bennett-Jones, finished in December 2024. Across eight episodes it covered election interference, disinformation, lawfare, money in politics and hostile state influence. In January 2025 the trustees approved our first annual report and a strategic plan for the year, proposing a second series, a YouTube channel and a wider presence on social platforms to reach younger audiences who might not otherwise engage with these issues.

Series two: taking the conversation into public spaces. Once funding was secured in March 2025, series two launched on 11 April 2025 with a live event at the Frontline Club for more than 100 guests, asking whether liberal democracy is dying, with speakers from across the political spectrum. The series was produced in partnership with NYU London, the Frontline Club and RUSI, with live events at all three, including a recording with students at NYU London. Its eight episodes ranged from dark money, young voters and campus free speech to press ownership and cryptocurrency. It reached number 5 in the Apple Podcasts charts, reached a US audience through the New Books Network, and we launched our YouTube channel so that full conversations could be watched online.

Asking where we could add most. In July 2025, with the series complete, the trustees asked what Democratys does that others do not. The Board identified an opportunity to begin our advocacy work and address the risk associated with crypto, identified in the podcast. The Government's July 2025 paper, *Restoring Trust in Our Democracy*, dealt with other donation loopholes but not crypto, and an Elections Bill was expected in 2026. That made this a timely moment to improve understanding.

A plan rooted in our purpose. In September 2025 the trustees approved a strategic plan for this work, combining expert legal input and sharing our evidence with parliamentarians of all parties and with officials. They engaged specialist advisers to help deliver it, and in November 2025, hosted an expert roundtable at the House of Lords.

Experts in law and policy, a former chief executive of the Electoral Commission and other stakeholders debated the issue, to inform the charity’s position. There was clear consensus that the loophole must be closed, that a moratorium was the right immediate response, and that a permanent ban would be neither workable nor desirable. The roundtable produced five principles for a future

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framework: quarantine and vetting of donations, regulated UK-linked routes, immediate conversion to sterling, a zero reporting threshold and near real-time disclosure. It also stressed the need to raise public awareness of why transparency in digital funding matters. Officials in the government department responsible for the Bill welcomed this expertise and asked for a briefing on our work, as did the Chair of the Joint Committee on the National Security Strategy, and we took part in a follow-up roundtable at RUSI.

2026: putting the evidence on the record

The Rycroft Review. In December 2025 the Government announced an independent review of foreign financial interference in UK politics, led by Philip Rycroft. We met the review team in February 2026 and were asked to set out our evidence on crypto donations in detail. We submitted written and oral evidence, and published our submission on our website so the public can read it.

Informing Parliament. As the Representation of the People Bill went through the Commons, we sent briefings to every MP who spoke at Second Reading and to every member of the Bill committee, and met members of all the main parties. We commissioned Bates Wells to draft robust wording for a moratorium, so that if ministers or officials asked for it, accurate drafting was ready. We briefed the Chair of the Joint Committee on the National Security Strategy on our work, and in March 2026 the Committee recommended a binding moratorium. In September 2026 the Government's amendment on crypto donations was accepted at report stage. We continue to explain the difference between a ban and a moratorium, and what a workable regime would need, as the Bill reaches the Lords.

The next phase on crypto. The question is no longer whether there is a problem, but whether the legislation actually fixes it. The Rycroft Review recommended a moratorium while regulatory and enforcement capability is built, and we have worked closely with RUSI and its Cryptocurrencies in UK Politics project. As the Bill moves through the Lords, two areas need the most attention. The first is money that passes through crypto and is converted into sterling before it enters political finance, which RUSI warns a restriction at the point of donation can leave untouched. The second is enforcement: the new rules will mean little unless the Electoral Commission and other agencies have the expertise and capacity to apply them, a point both RUSI and the Joint Committee on the National Security Strategy have made. Bates Wells is reviewing the Government's provisions against the drafting we developed, to identify what is missing or needs strengthening, so that parliamentarians of all parties have accurate, well-evidenced material to work from. Our acting Chair, Baroness Nicky Morgan, has drawn on this work in the House of Lords.

Building the evidence on foreign interference. In June 2026 the trustees approved Democratys' support for an inquiry into foreign political interference run through an All-Party Parliamentary Group with cross-party backing, on the basis of a neutral briefing note. The result, *UK's Russian Lesson: Building Deterrence against Foreign Political Interference*, co-published by The Citizens and Democratys, was launched in Parliament in September 2026. The report draws on testimony given by 12 expert witnesses on 7 July 2026. It examines how gaps in the enforcement and reform of political finance law have left the UK exposed to foreign political interference, and what would build stronger deterrence. It adds to the public record on the same threats our crypto work addresses.

Possible future work. Building on what we have learned, the trustees have identified further ways to extend our educational work to new audiences and to other issues affecting democracy in the UK, to be taken forward only once new funding is in place.

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Governance

The board of four trustees, Baroness Nicky Morgan (acting Chair), Sir Nick Harvey (acting Treasurer), Stefan Cross KC and Mark Stephens CBE, met seven times in 2025. The Chief of Staff runs the charity day to day, supported by a small team of specialist advisers.

- **Appointments.** Trustees approved the appointment of the Chief of Staff and of each adviser at board meetings, and the Chief of Staff attends all introductions to potential donors.
- **New trustee.** Baroness Nicky Morgan, a former Cabinet minister, was appointed as a trustee on 17 February 2025, bringing extensive experience of Parliament and Government and broadening the range of perspectives on the board.
- **Trustee oversight.** When our educational project on cryptocurrency donations began in September 2025, the trustees agreed to formally approve major public statements and engagement with Government, and to review the project against Charity Commission guidance on campaigning and political activity (CC9).
- **Donor acceptance policy.** Approved in June 2026, covering due diligence, anti-money-laundering checks, reputational risk and the refusal or return of gifts. It confirms that donations give donors no say over our work, and that we do not accept cryptocurrency, in keeping with the issues we educate on.
- **Board development.** The trustees have begun recruiting new trustees, guided by a skills-gap assessment, and have agreed in principle to introduce fixed terms for trustees. In June 2026 Baroness Nicky Morgan was confirmed as acting Chair until new trustees have joined the board, and Sir Nick Harvey is the charity's acting Treasurer.
- **Public information.** We published a new website explaining our educational purpose, our history and our Rycroft submission, and updated our Charity Commission details.

The trustees are guided by the Charity Commission's guidance *The Essential Trustee* (CC3), *Internal Financial Controls for Charities* (CC8) and *Charity Fundraising* (CC20).

Funding and financial position

The charity is funded entirely by donations from UK-based individuals, companies, trusts and foundations. Our overheads are very low, and our main costs are the Chief of Staff and our specialist advisers.

Income varied through the period, as donations arrived at different times. Two short-term loans helped manage this: a £10,000 interest-free loan from a trustee in May 2025, repaid in full in August 2025, and a further interest-free loan, which is to be repaid by the end of 2026.

From August 2025, new donor commitments of £75,000 put the charity on a firmer footing, and by March 2026 it held over £90,000, enough for at least six months' work. Building reserves remains a priority, and the trustees have agreed that new projects will only be taken on when matched by new funding.

Looking ahead

Over the coming year we will continue to further our purpose of educating the public about threats to democracy in the UK. We will:

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- explain to the public, and to parliamentarians of all parties, how money can enter politics through cryptocurrency, including funds converted into sterling, and what effective enforcement by the Electoral Commission requires, as the Bill completes its passage
- reconvene our expert roundtable to assess the legislation against the position we first reached in 2025
- seek funding to extend our educational work to new audiences and issues
- complete trustee recruitment and agree trustee terms, so that the board has the skills to oversee this work
- build our reserves, so that our educational work rests on steady funding

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DEMOCRATYS
LEGAL AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2025

Registered Charity number:	1203611
Registered Address:	66 Paul Street, London, EC2A 4NA
Website:	www.democratys.org.uk
Trustees:	
Baroness Nicola Morgan	Appointed 17 February 2025
Stefan Cross KC	
Mark Stephens CBE	
Sir Nicholas Harvey KB	
Independent Examiner:	C J Goodhead FCA, Knight Goodhead Limited, 7 Bournemouth Road, Chandler's Ford, Eastleigh, Hampshire SO53 3DA
Banker:	HSBC, 30 Princes Mead Shopping Centre, Farnborough, GU14 6YB

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INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES ON THE UNAUDITED ACCOUNTS OF DEMOCRATYS FOR THE YEAR ENDED 31 DECEMBER 2025

I report to the trustees on my examination of the accounts of Democratys for the year ended 31 December 2025, which are set out on pages 8 to 11.

RESPONSIBILITIES AND BASIS OF REPORT

As the trustees of the Charity you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trustees' accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

INDEPENDENT EXAMINER'S STATEMENT

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

(1) accounting records were not kept in respect of the Charity as required by section 130 of the Act;

(2) the accounts do not accord with those records.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



C J Goodhead FCA
Knight Goodhead Limited
Chartered Accountants
7 Bournemouth Road
Chandler's Ford
Eastleigh
Hampshire
SO53 3DA

Dated: 27-Oct-2026

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DEMOCRATYS
RECEIPTS AND PAYMENTS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	General funds £	Restricted funds £	Total 2025 £	Total 2024 £
RECEIPTS					
Voluntary income					
Donations	2	183,500	-	183,500	68,510
Loan income		4,550	-	4,550	-
Bank interest		-	-	-	-
TOTAL RECEIPTS		**188,050**	**-**	**188,050**	68,510
PAYMENTS					
Charitable activities	3(a)	152,469	-	152,469	50,977
Governance costs	3(b)	1,080	-	1,080	-
TOTAL PAYMENTS		**153,549**	**-**	**153,549**	50,977
Net of receipts / payments before transfers		34,501	-	34,501	17,533
Transfers between funds	4	-	-	-	-
NET MOVEMENT IN FUNDS		34,501	-	34,501	17,533
Total funds brought forward	4	17,533	-	17,533	-
TOTAL FUNDS CARRIED FORWARD	4	**52,034**	**-**	**52,034**	17,533

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DEMOCRATYS
STATEMENT OF ASSETS AND LIABILITIES
FOR THE YEAR ENDED 31 DECEMBER 2025

	General funds £	Restricted funds £	Total 2025 £	Total 2024 £
A CASH FUNDS				
Cash at bank with immediate access	52,034	-	52,034	17,533
Bank deposits	-	-	-	-
	52,034	**-**	**52,034**	17,533
B OTHER MONETARY ASSETS				
Donations	-	-	-	13,000
	-	**-**	**-**	13,000
C LIABILITIES				
Independent examination	1,008	-	1,008	960
Bookkeeping	293	-	293	802
Podcast costs	-	-	-	21,750
Freelance costs	-	-	-	5,627
Consultancy costs	5,300	-	5,300	-
Loan - interest free	4,550	-	4,550	-
	11,151	**-**	**11,151**	29,139

All liabilities noted fall due for settlement within one year.

The accounts were approved by the trustees on 22/10/2026 and signed on their behalf by

TRUSTEE Baroness Morgan of Cotes

Signed by:
Baroness Morgan of Cotes
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TRUSTEE Mark Stephens CBE

Signed by:
Mark Stephens CBE
5FB9CAAB58B8422...

TRUSTEE Sir Nicholas Harvey KB

Signed by:
38E76724A934494...

TRUSTEE Stefan Cross KC

Signed by:
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DEMOCRATYS
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2025

1 ACCOUNTING POLICIES

Charity Information
Democratys is a CIO with the registered charity number 1203611. It was registered in England and Wales on 19 June 2023.

Basis of Preparation
The accounts have been prepared on a receipts and payments basis with a statement of assets and liabilities.

Fund Accounting
Unrestricted funds are monies which can be used in accordance with the charitable objectives at the Trustees' discretion.

Donations earmarked by the donor for specific purposes are held within restricted funds.

2 INCOME

	General funds £	Restricted funds £	Total 2025 £	Total 2024 £
Voluntary income				
Donations	**183,500**	**-**	**183,500**	**68,510**

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DEMOCRATYS
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2025

3 PAYMENTS

	General funds £	Restricted funds £	Total 2025 £	Total 2024 £
a) Charitable expenditure				
Hire of Studio	-	-	-	648
Podcast costs	66,352	-	66,352	27,620
Bank Fees	40	-	40	45
IT & Website Costs	88	-	88	309
Room hire	893	-	893	577
Rent / Licence of Old Chambers	60	-	60	379
Freelance costs	66,406	-	66,406	19,575
Travel costs	31	-	31	-
Licences	1,968	-	1,968	1,824
Bookkeeping	731	-	731	-
Consultancy fees	15,900	-	15,900	-
	152,469	**-**	**152,469**	50,977
b) Governance				
Independent examination	1,080	-	1,080	-
	1,080	**-**	**1,080**	-