

OS AA01

Statement of details of parent law and other
information for an overseas company



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A20 12/01/2019 #310

COMPANIES HOUSE

A7L1F0D6

A17 18/12/2018 #252

COMPANIES HOUSE

A7JEHGGW

A08 24/11/2018 #165

COMPANIES HOUSE

✓ **What this form is for**
You may use this form to
accompany your accounts
disclosed under parent law.

✗ **What this form is NOT for**
You cannot use this form
for an alteration of manner of
with accounting requirements.

Part 1 Corporate company name

Corporate name of overseas company ①	AVAAZ FOUNDATION									
UK establishment number	B	R	0	1	6	3	8	8		

→ Filling in this form
Please complete in typescript or in
bold black capitals.

All fields are mandatory unless
specified or indicated by *

① This is the name of the company in
its home state.

Part 2 Statement of details of parent law and other information for an overseas company

A1 Legislation

Please give the legislation under which the accounts have been prepared and,
if applicable, the legislation under which the accounts have been audited.

Legislation ② ACCOUNTS-US GAAP AUDIT-US ACCOUNTING STANDARDS

② This means the relevant rules or
legislation which regulates the
preparation and, if applicable, the
audit of accounts.

A2 Accounting principles

Accounts	Have the accounts been prepared in accordance with a set of generally accepted accounting principles? Please tick the appropriate box. ☐ No. Go to Section A3. ☒ Yes. Please enter the name of the organisation or other body which issued those principles below, and then go to Section A3.
Name of organisation or body ③	FINANCIAL ACCOUNTING STANDARDS BOARD

③ Please insert the name of the
appropriate accounting organisation
or body.

A3 Accounts

Accounts	Have the accounts been audited? Please tick the appropriate box. ☐ No. Go to Section A5. ☒ Yes. Go to Section A4.
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A4 Audited accounts		
Audited accounts	Have the accounts been audited in accordance with a set of generally accepted auditing standards? Please tick the appropriate box. ☐ No. Go to Part 3 'Signature' . ☒ Yes. Please enter the name of the organisation or other body which issued those standards below, and then go to Part 3 'Signature' .	1 Please insert the name of the appropriate accounting organisation or body.
Name of organisation or body 1	ACCOUNTANTS AMERICAN INSTITUTE OF CERTIFIED PUBLIC	

A5 Unaudited accounts	
Unaudited accounts	Is the company required to have its accounts audited? Please tick the appropriate box. ☐ No. ☒ Yes.

Part 3 Signature	
I am signing this form on behalf of the overseas company.	
Signature	Signature X  X
This form may be signed by: Director, Secretary, Permanent representative.	

OS AA01

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Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name HELEN ELLIOT

Company name SAYER VINCENT LLP

Address INVICTA HOUSE

108-114 GOLDEN LANE

Post town LONDON

County/Region

Postcode E C 1 Y O T L

Country

DX

Telephone 020 7841 360



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and, if appropriate, the registered number, match the information held on the public Register.
- ☐ You have completed all sections of the form, if appropriate.
- ☐ You have signed the form.



Important information

Please note that all this information will appear on the public record.



Where to send

You may return this form to any Companies House address:

England and Wales:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

Scotland:

The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post).

Northern Ireland:

The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG.
DX 481 N.R. Belfast 1.



Further information

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk

060267/20

**AVAAZ FOUNDATION
FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

**AVAAZ FOUNDATION
FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

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CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Avaaz Foundation, Inc.

We have audited the accompanying financial statements of Avaaz Foundation, Inc. (the "Organization"), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

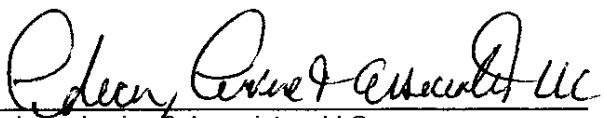
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Avaaz Foundation, Inc. as of December 31, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.


Lederer, Levine & Associates, LLC

Lyndhurst, NJ
August 23, 2018

AVAAZ FOUNDATION
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and cash equivalents (Notes B, J and I)	\$ 10,852,019	\$ 8,493,178
Contributions receivable (Notes B and C)	524,505	375,492
Accounts receivable and other	73,881	61,065
Prepaid expenses	136,523	124,894
Equipment, net (Notes B and D)	158,928	149,361
Other assets (Note E)	<u>25,250</u>	<u>31,583</u>
TOTAL ASSETS	<u>\$ 11,771,106</u>	<u>\$ 9,235,573</u>
 LIABILITIES		
Accounts and accrued expenses payable	\$ 399,407	\$ 483,991
Grants payable (Notes B and F)		563,000
Deferred rent (Note I)	<u>132,529</u>	<u>88,825</u>
TOTAL LIABILITIES	<u>531,936</u>	<u>1,135,816</u>
 Commitments and Contingencies (Note I)		
 NET ASSETS		
Unrestricted	11,024,170	8,099,757
Temporarily restricted (Note K)	<u>215,000</u>	<u></u>
TOTAL NET ASSETS	<u>11,239,170</u>	<u>8,099,757</u>
 TOTAL LIABILITIES AND NET ASSETS	<u>\$ 11,771,106</u>	<u>\$ 9,235,573</u>

The accompanying notes are an integral part of these financial statements.

AVAAZ FOUNDATION
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017		2016	
	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted
				Total
SUPPORT AND REVENUE:				
Contributions - net (Notes B and G)	\$ 19,077,302	\$ 215,000	\$ 18,151,037	\$ 18,151,037
In-kind contributions (Notes B and H)	65,144		55,440	55,440
Program and miscellaneous	17,301		52,841	52,841
Rental income (Note I)	82,345		4,550	4,550
Interest income	924		794	794
Gains (losses) on foreign currency conversions	876,233		(201,302)	(201,302)
TOTAL SUPPORT AND REVENUE	20,119,249	215,000	18,063,360	18,063,360
EXPENSES:				
Program services	13,127,911		14,752,500	14,752,500
Management and general	3,013,942		2,776,652	2,776,652
Fundraising and development	1,052,983		472,090	472,090
TOTAL EXPENSES	17,194,836		18,001,242	18,001,242
CHANGE IN NET ASSETS	2,924,413	215,000	62,118	62,118
Net Assets - Beginning of Year	8,099,757		8,037,639	8,037,639
NET ASSETS - END OF YEAR	\$ 11,024,170	\$ 215,000	\$ 8,099,757	\$ 8,099,757

The accompanying notes are an integral part of these financial statements.

AVAAZ FOUNDATION

2016

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AVAAZ FOUNDATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 3,139,413	\$ 62,118
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	79,843	85,830
Loss on disposition of equipment		3,771
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Contributions receivable	(149,013)	(295,304)
Accounts receivable and other	(12,816)	46,432
Prepaid expenses	(11,629)	3,249
Other assets	6,333	27,529
(Decrease) increase in liabilities:		
Accounts and accrued expenses payable	(84,584)	(384,568)
Grants payable	(563,000)	213,000
Deferred rent	43,704	53,788
Net Cash Provided (Used) by Operating Activities	<u>2,448,251</u>	<u>(184,155)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Equipment acquisitions	<u>(89,410)</u>	<u>(59,066)</u>
Net Cash Used by Investing Activities	<u>(89,410)</u>	<u>(59,066)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,358,841	(243,221)
Cash and cash equivalents - beginning of year	<u>8,493,178</u>	<u>8,736,399</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 10,852,019</u>	<u>\$ 8,493,178</u>
Supplementary Disclosure of Cash Flow Information:		
Cash paid during the year for interest	<u>\$ -0-</u>	<u>\$ -0-</u>

The accompanying notes are an integral part of these financial statements.

**AVAAZ FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

Note A – Organization and Nature of Activities

Avaaz Foundation (the "Organization"), has a simple democratic mission: organize citizens of all nations to close the gap between the world we have and the world most people everywhere want. The Avaaz Foundation community, operating in 18 languages, takes action by signing petitions, funding media campaigns and direct actions, emailing, calling and lobbying governments, and organizing "offline" protests and events – to ensure that the views of the world's people inform the decisions that affect us all. Avaaz is a virtual organization with staff in over 20 countries and an administrative headquarters in New York, NY (USA). Avaaz is entirely funded by small online donations from its global membership (averaging about \$15 each in 2017).

Avaaz Foundation is a not-for profit organization incorporated in the state of Delaware and is exempt from income taxes under Section 501(c)(4) of the Internal Revenue Code.

Note B – Summary of Significant Accounting Policies

Basis of Accounting

The Organization prepares its financial statements using the accrual basis of accounting. The Organization follows accounting principles generally accepted in the United States of America ("US GAAP")

Cash and Cash Equivalents

The Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Contributions

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Donated In-Kind Services and Costs

Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of services are recognized if the services (a) create or enhance non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donations.

Equipment

Equipment is stated at cost, less accumulated depreciation and amortization. Depreciation and amortization are provided for in amounts sufficient to relate the cost of depreciable assets on the straight-line basis to operations over their estimated useful lives. The Organization capitalizes equipment with a useful life of two years or more and cost of \$1,000 or more.

Functional Expenses

The breakdown of functional expenses into program services, management and general and fundraising and development is provided by management using their best estimates as to the appropriate allocation.

AVAAZ FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016
(Continued)

Note B – Summary of Significant Accounting Policies (continued)

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is August 23, 2018.

Accounting for Uncertainty in Income Taxes

The Organization's accounting policy is to record liabilities for uncertain tax positions when a liability is probable and estimable. Management is not aware of any violation of its tax status as an organization exempt from income taxes, nor of any exposure to unrelated business income tax.

Grants Expense

Grants expense is recognized in the period the grant is approved, provided the grant is not subject to significant future conditions. Conditional grants are recognized as grant expense and as a grant payable in the period in which the grantee meets the terms of the conditions.

Advertising and Campaign Publicity

Advertising and campaign publicity costs are expensed as incurred. Advertising and campaign publicity costs totaled \$489,307 and \$255,914 for the years ended December 31, 2017 and 2016, respectively.

Note C – Contributions Receivable

Contributions receivable consist of the following as of December 31:

Unconditional promises to be collected in:

	<u>2017</u>	<u>2016</u>
Less than one year	\$ <u>524,505</u>	\$ <u>375,492</u>

The Organization has not recorded an allowance for doubtful accounts based on management's estimate of the credit worthiness of contributors.

Note D – Equipment

Equipment consisted of the following as of December 31:

	<u>2017</u>	<u>2016</u>
Equipment	\$ 231,120	\$ 189,007
Furniture and fixtures	<u>98,048</u>	<u>98,048</u>
	329,168	287,055
Less: accumulated depreciation and amortization	<u>(170,240)</u>	<u>(137,694)</u>
	\$ <u>158,928</u>	\$ <u>149,361</u>

Depreciation and amortization expense amounted to \$79,843 and \$85,830 for the years ended December 31, 2017 and 2016, respectively. During 2017 and 2016, respectively, the Organization disposed of \$47,297 and \$129,086 of equipment.

Note E – Other Assets

Other assets consist of the following as of December 31:

	<u>2017</u>	<u>2016</u>
Security deposits	\$ <u>25,250</u>	\$ <u>31,583</u>

Note F – Grant Payable

Grant payable consists of the following as at December 31, 2016.

Payable in less than one year	\$ <u>563,000</u>
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AVAAZ FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016
(Continued)

Note G – Contributions

Contributions consist of the following for the years ended December 31:

	2017	2016
Total contributions	\$20,264,656	\$19,041,240
Less: processing fees	(972,354)	(890,203)
	<u>\$19,292,302</u>	<u>\$18,151,037</u>

Contributions are processed via the internet.

Note H – In-Kind Contributions

In-kind contributions consisted of the following during the year ended December 31:

	2017	2016
Legal fees	<u>\$ 65,144</u>	<u>\$ 55,440</u>

Note I – Commitments and Contingencies

- 1a) The Organization leases real property for program and administrative purposes. In addition, the Organization rents other facilities to conduct its programs on a temporary basis. Rental expense amounted to \$727,680 and \$714,310 for the years ended December 31, 2017 and 2016, respectively. In June 2015, the Organization entered into a lease agreement from October 2015 to November 2025 for their Manhattan, NYC headquarters.

Future minimum annual rental commitments under non-cancelable lease obligations are as follows:

For the year ended December 31, 2018	\$ 387,102
2019	397,747
2020	410,092
2021	436,847
2022	448,860
Thereafter	1,380,412

The Organization recognizes rent expense on the straight line basis and the difference between rent expense and rent paid is recorded as deferred rent.

The Organization has entered into various month-to-month rental income agreements with tenants. Rental income amounted to \$82,345 and \$4,550 in 2017 and 2016, respectively.

Effective May 14, 2018, the Organization entered into an agreement to sublease the Manhattan, NYC office. Minimum rentals to be received in the future under this non-cancelable sublease is as follows:

For the year ended December 31, 2018	\$ 260,480
2019	423,110
2020	436,152
2021	192,735

- 1b) In lieu of cash for a security deposit on the above mentioned new lease, the Organization's landlord agreed to accept an Irrevocable Standby Letter of Credit ("LOC"). In April 2015, the Organization and HSBC Bank USA N.A., entered into an LOC in which \$335,335 of the Organization's HSBC bank account is pledged as collateral.
- 2) The Organization has a line of credit with a bank up to \$250,000 related to credit card usage by various employees. At December 31, 2017 and 2016, approximately \$35,852 and \$56,872, respectively, was outstanding. The line of credit balances are included in accounts and accrued expenses payable on the statements of financial position.

AVAAZ FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016
(Continued)

Note J – Concentration of Credit Risk

The Organization maintains several bank accounts at two banks which are institutions insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor. At December 31, 2017 and 2016, the uninsured cash balances amounted to \$3,090,432 and \$2,071,839, respectively. The Organization maintains accounts in two banks in Europe which are not insured. The bank balances at December 31, 2017 and 2016 totaled \$5,733,893 and \$3,510,342, respectively. Management believes that credit risk related to these accounts to be minimal.

In addition, some online contributions are made via PayPal and held by PayPal until the Organization withdraws the funds. Balances that are on deposit at this provider are not insured by the FDIC. The balance on deposit at December 31, 2017 and 2016 approximated \$1,267,111 and \$2,371,000, respectively. Management believes that credit risk related to these online payment service accounts to be minimal.

Note K – Temporarily Restricted Net Assets

Temporarily restricted net assets consist of the following at December 31, 2017:

Purpose restriction – Rohingya Humanitarian Aid	\$ <u>215,000</u>
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Note L – Resource and Staff Sharing Agreements and Agency Agreement

- 1) Avaaz Foundation has a resource and staff sharing agreement and a grant agreement with Res Publica (US) Inc , an Organization recognized by the Internal Revenue Service as tax exempt under section 501(c)(3) of the Internal Revenue Code. During the years ended December 31, 2017 and 2016, Avaaz Foundation made in-kind contributions of \$11,629 and \$17,648, respectively, of various costs to Res Publica per their resource sharing agreement.
- 2) Avaaz Foundation has a resource and staff sharing agreement and an agency agreement with Avaaz Campaigns UK (ACUK), an organization registered as a private company, limited by guarantee in England and Wales, United Kingdom.

In 2017, the following transactions took place between the two entities.

- Under the resource and staff sharing agreement:
Avaaz Foundation made in-kind contributions of \$8,475 of various costs to ACUK.
Avaaz Foundation received \$659 (510 GBP) from ACUK for use of Avaaz campaigner staff time
This amount is included in the Organization's 2017 Program and miscellaneous income on the Statement of Activities
- Under the agency agreement:
As fiscal agent to ACUK, Avaaz Foundation paid \$21,057 (16,300 GBP) in direct expenses on behalf of ACUK. These funds were reimbursed by ACUK to Avaaz in 2017.

In 2016, the following transactions took place between the two entities:

- Under the resource and staff sharing agreement:
Avaaz Foundation made in-kind contributions of \$8,071 of various costs to ACUK.
Avaaz Foundation received \$31,526 (22,186 GBP) from ACUK for use of Avaaz Foundation campaigner staff time. This amount is included in the Organization's 2017 Program Income on the statement of activities.
- Under the agency agreement:
As fiscal agent to ACUK, Avaaz Foundation transferred \$213,149 (150,056 GBP) from its accounts to ACUK. These funds were raised on the Avaaz Foundation website (avaaz.org) on behalf of ACUK.
In connection with the above transaction, ACUK paid \$21,315 (15,006 GBP) to Avaaz Foundation as an Agency Fee (10% of the funds transfer). The amount is included in the Organization's 2016 Program Income on the statement of activities.