

REGISTERED COMPANY NUMBER 05268071

REGISTERED CHARITY NUMBER 1107264

CITIZENS UK CHARITY AND SUBSIDIARY
(A company limited by guarantee)

**ANNUAL REPORT AND
FINANCIAL STATEMENTS**

31 MARCH 2020

CITIZENS UK CHARITY AND SUBSIDIARY

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CITIZENS UK CHARITY AND SUBSIDIARY

OFFICERS AND PROFESSIONAL ADVISERS

The directors of the charitable company ('the charity') are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees. The charity has Trustees who are elected annually by the Members of the company at the Annual General Meeting.

Charity name	Citizens UK Charity	
Working name	Citizens UK	
Website	www.citizensuk.org	
Members of the Board of Trustees	Dr Kaneez Shaid	Chair to 1 September 2020 Resigned 31 August 2020
	Dr Steve Mowle (SLC*)	Resigned 27 February 2020
	Revd Canon Karen Rooms	Chair from 1 September 2020 Leicester Citizens*
	Saba Abid Shafi	Appointed 27 February 2019 Treasurer*
	Meriel Barclay	Appointed 19 July 2019
	David Edward Canham	
	Ranjit Sondhi OBE	CUK Birmingham*
	Rt Hon John Dominic Battle	Leeds Citizens*
	Noeleen Cohen	North London Citizens*
	Revd Canon Sheila Bamber	Tyne & Wear Citizens*
	James Pickering	South London Citizens*
	Lindsay Jane Driscoll	Appointed 26 September 2019
	Clive Foster	Appointed 17 August 2020

* Indicates a link to a Chapter and that the trustee is therefore from a member institution.

Company Secretary Matthew Bolton

Key Management Personnel

The following served for part or all of the year ended 31 March 2020:

- | | |
|---------------------|------------------------------------|
| • Matthew Bolton | Executive Director |
| • Katherine Chapman | Director, Living Wage Foundation |
| • Jonathan Cox | Deputy Director |
| • Jawed Neshat | Director of Finance and Operations |

CITIZENS UK CHARITY AND SUBSIDIARY

OFFICERS AND PROFESSIONAL ADVISERS

**Registered Office and
Operational address**

136 Cavell Street
London
E1 2JA

**Registered Charity Number
Registered Company Number**

1107264
05268071

Auditor

Scrutton Bland LLP
Chartered Accountants
and Statutory Auditor
820 The Crescent
Colchester Business Park
Colchester
CO4 9YQ

Bankers

HSBC Bank PLC
75 Whitechapel Road
London
E1 1DU

Solicitors

K & L Gates LLP
110 Cannon Street
London
EC4N 6AR

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REPORT OF THE EXECUTIVE DIRECTOR AND TRUSTEE BOARD

The Trustees are pleased to present their report, together with the audited financial statements for the year ended 31 March 2020.

The legal and administrative information set out on pages 1 and 2 form part of this report. The Trustees confirm that the financial statements comply with current statutory requirements, the Memorandum and Articles of Association, and the Statement of Recommended Practice (SORP) Accounting and Reporting by Charities (issued in October 2019) and FRS102.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Our Aims and Objectives

Purposes and Aims

The Charity's purposes are set out in the Articles of Association and they are:

- to develop the capacity and skills of the members of socially and economically disadvantaged communities in such a way that such members are better able to identify and help meet their needs and to participate more fully in society,
- to assist by directly promoting the more effective working of charitable community capacity building organisations designed to pursue that aim,
- to advance the voluntary sector,
- to advance physical and mental health,
- to relieve poverty, unemployment, or those in need by reason of youth, age, ill-health, disability, financial hardship or another disadvantage,
- to advance environmental protection or improvement and sustainable development,
- to advance the arts, culture, heritage or science, and
- to further such exclusively charitable objects according to the laws of England and Wales as the Trustees in their absolute discretion from time to time determine. Sustainable development means "development which meets the needs of the present without compromising the ability of future generations to meet their own needs."

The aims of our Charity are to develop the capacity of the 'organised' people of the United Kingdom to participate more effectively in public life, and to strengthen their civil society institutions in the process. We work with and for civil society institutions including education, faith, trade union and voluntary associations. We believe that strengthening these institutions and teaching citizens how to work together for the common good is vital for a healthy democracy with civil society at its heart.

How Our Activities Deliver Public Benefit

The Trustees have considered the obligations of the Charities Act 2011 and are satisfied that Citizens UK (CUK) complies with this Act, in particular with Section 4 concerning 'public benefit' and pays due regard to the public benefit guidance issued by the Charity Commission.

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Our main activities and who we try to help are described below.

Overview of our financial year:

The financial year to 31 March 2020 has been an eventful year both in politics and for CUK. We've grown into new geographical areas, made significant impact across a range of policy areas prioritised by our members, and spread our wings with new projects to tackle poverty and social isolation in the midst of a snap general election, followed shortly afterward by an emerging global pandemic.

Under Executive Director Matthew Bolton, CUK was starting to deliver a new business plan and set strategic goals as well as strengthening many different aspects of our organising, governance, and financial resilience, before having to pivot at the end of the year to help communities cope with the Covid-19 pandemic. Whilst the Government's measures have been introduced, the nature of the charity and group's activities mean that the pandemic has not had a significant impact on the charity and group's operations, nor on their financial viability. The main potential exemption to this relates to the Living Wage work. However, this was identified as a potential risk at an early stage and mitigating factors were introduced including cost control measures. The Trustees have asked that management keeps them updated in this area, although the findings to date for the year ending 31 March 2021 do not indicate that this has been a material issue.

Earlier in the year we helped further establish 4 new community alliances and prepare to launch 2 more in Liverpool and Preston. We renewed our determination to develop more people participating in public life and winning the changes to improve their lives and those of their communities.

This report shares some of our impact in the year and is a testament to the tireless work of thousands of talented leaders, 40+ community organisers and our 45 strong project staff and HQ team. It will not reflect the many actions taken to adjust to the pandemic, as most fell outside of the reporting period for the year, but suffice to say the months of March and April 2020 were extremely busy with structural reorganisation, tech platform adoption and rapid listening campaigns in order to identify how we could best aid our communities in this crisis.

For over 30 years we've been teaching community organising to a hugely diverse range of people. Everyone from new mums to minimum wage workers and refugees to University Vice Chancellors have developed their leadership skills and realised positive change in their communities.

Community organising is something that throughout our lives, from childhood to retirement we can use to develop ourselves, connect with our loved ones and communities and achieve change.

Our alliance now includes around 453 dues-paying member institutions across the UK, with thousands of citizens taking part in actions organised by CUK during the year.

Below, we summarise some of the varied activities and projects staff and those trained community leaders who make up our alliances have delivered.

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Who used and benefitted from our services?

Participation in Democracy

Reaching new areas: Thanks to ever growing interest in community organising as a vehicle for leadership development and social change, we continue to grow the size and vitality of both our chapters and projects addressing parenting early intervention, refugee resettlement and in-work poverty.

Citizens alliances have launched and become established last year in Colchester, Somerset, Sunderland, Leicester and Brighton and Hove and continue to establish themselves in other areas of the country, namely Preston, Liverpool, the London Boroughs of Enfield and Barking and Dagenham and across Wales.

This has been supported to a large degree by investment from the Big Lottery Fund England, with this grant finishing in 2020 after helping to further support the development of a library of resources for new organisers, sponsoring committees and the evaluative report of our work on the project to date. Our focus now is on diversifying funding streams for these areas and ensuring a healthy vibrant group of broad based organisations stay delivering social change in these places for many years to come.

The work of our national projects and chapters includes work within the following themes:

Training and civil society capacity building

The fundamental aim of CUK is to develop the capacity of people and so training in community organising and community leadership is a foundation for all the activity. The core formal training opportunity for CUK members is our residential six-day National Training. Members also have access to regular two-day Introduction to Leadership Training which is organised at Chapter-level several times each year. Between April 2019 and March 2020, around 50 leaders from a diverse range of institutions attended our 6-day national training programme, accredited by Newman University, Birmingham with many more leaders attending 2-day training organised locally across the network.

Democracy and voting: Participation is at the heart of CUK's mission: from organising in the run up of local, regional and national elections to taking public action on issues of shared concern and shaping our Citizens manifestos through a rigorous process of listening to our communities.

In the period April – May 2019 a number of Citizens alliances such as Nottingham Citizens and South London Citizens held Accountability Assemblies with decision-makers such as Mayors and Council Leaders to hold them accountable on the public commitments they had made a year prior, when those same alliances held Assemblies in the days and weeks running up to the 2018 local elections. Next, many of our Chapters began a cycle of organising towards another important political moment: the Mayoral elections that were due to take place in May 2020.

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Listening campaigns were launched over the summer by alliances such as Greater Manchester Citizens, Birmingham Citizens and London Citizens; this was followed by “issue workshops”, “manifesto workshops” and Delegates Assemblies in the Autumn and Winter, which saw leaders from our broad base of member institutions collectively ratify a set of tangible, winnable and meaningful asks tackling the root causes of injustice in areas such as safety, the climate and housing.

Meanwhile, following the announcement of a snap General Election in December, the CUK National Leadership Team held a Delegates Assembly in October 2019 to vote on our national priorities in the weeks running up to the General Election. We began organising across our Chapters to ensure that as many people in our member institutions and wider communities were registered to vote. In addition to running stalls and door-knocking initiatives, we also launched the “Can I vote?” site alongside a PR campaign to make Commonwealth nationals living in the UK aware of their right to vote in UK elections.

The start of 2020 saw leaders of our alliances come together again at our AGM in February and continue to organise ahead of their planned Mayoral Assemblies in April 2020, holding pre-Assembly negotiation meetings with the Mayoral and PCC candidates in their areas. However, in March 2020 when the severity of the coronavirus crisis became clear and elections were postponed, new strategies were made. Some alliances decided to hold Assemblies online, such as Somerset Citizens and Thames Valley Citizens.

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Mental Health and Wellbeing

Colchester

Mental Health National Campaign



We took on mental health campaigns in a number of chapters in 2019 including Leeds, Colchester and London and our PACT project continued to support hundreds of parents and children in 4 locations across England.

One local highlight was the work of Merton Citizens, who spoke with and listened to 11,000 members of its local communities which had identified mental health as its top priority.

The alliance of community organisations, part of community organising charity CUK worked with South West London and St George's Mental Health NHS Trust and its health and care partners Merton Council and NHS Merton Clinical Commissioning Group (CCG) to identify concerns and connect people together in developing sustainable solutions.

Parents and Children Together (PACT): Operating in Tyneside, Leeds and South London, Parents and Communities Together (PACT) is a community-led project for socially excluded parents who under-use mainstream health services.

PACT's activities, such as MumSpace, have been shown to lead to statistically significant improvements to the mental health and well-being of the parents involved, as well as the early developmental outcomes of their children. Parenting skills, a sense of community and the ability to develop as leaders in public life are all fostered in equal measure by PACT's Parent Organisers. From learning how to cook healthier meals for their children, to running a listening campaign on youth safety or housing, PACT's leaders are becoming more confident parents and citizens.

PACT continues to grow from strength to strength in South London, Leeds and Newcastle. New areas of work included developing parent leaders to enable them to take action through community organising and social integration supported by the London Mayor, tackling childhood obesity in South London funded by Guys & St. Thomas' Charity and well as strengthening our partnerships with the Clinical Commissioning Group and other healthcare partners to meet the needs of the most vulnerable families.

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PACT

- Community Organising
- Family Food Club
- Growth in North Tyneside



Children at our PACT Southwark project

Tackling poverty

Living Wage: The Living Wage Foundation made real progress in 2019/2020 by developing new strategies to increase impact on low paid employees, increasing the media presence of the Foundation and developing new projects to reposition the Foundation as a vehicle for driving forward wider workplace change.

By the end of March 2020 there were 6,300 accredited Living Wage Employers, with a record 1,650 joining in 2019/20. Those accreditations have resulted in pay rises for nearly 28,000 people, over 3,000 up on the previous year at this point, meaning that over 240,000 people's pay gets uplifted by the cost of living each year.

The LWF's priorities this year were to:

- **Embed and grow the Living Wage Places, Zones and Buildings** including anchor institutions to uplift **30,000 employees** in year.
- **6,000 Living Wage Employers.**
- **Launch Living Hours and start to reposition the Living Wage Foundation as a vehicle to drive wider workplace change** alongside the Living Wage and strengthen brand as sign of a responsible employer.
- **Internally, ensure cohesion, joined up employer engagement** strategies and cross team collaboration to deliver on expanded schemes and projects.

Going forward the Foundation is looking to work with Living Wage Employers and campaign partners to drive forward the new projects we have developed so that we can deliver on our mission to tackle in work poverty and strengthen our brand as the sign of a responsible employer.

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Community Safety

Knife Crime: After last year listening to over 1,500 young people and parents across the boroughs from over 25 education institutions. Young people were at the centre of these, helping them to develop as leaders and build trust with a range of institutions within their communities including schools, local authorities and the police.

Over the last 2 years members of London Citizens have held listening campaigns and safety commissions. Through this we have spoken with experts from the VRU in Glasgow, policy makers in London and more importantly the real experts: thousands of Londoners, including young people, parents, head teachers and community leaders about what can be done.

Trust in Policing:

This work subsequently developed into a London wide campaign on community safety and trust in policing – and formed a central part of the London Citizens manifesto. We have since met the London Deputy Mayor for Policing and Crime, Sophie Linden and senior Met Police officers. They have agreed to implement: 1) racial bias training - led by community organisations, at the start of an officer's training and throughout their development. 2) reform of community-led accountability. The fight continues for more funding and powers for these accountability structures. We will hold the Met Police to account on these plans for improved training and accountability, and shift power back to our communities.

Community Safety

London Citizens are organising to tackle the root causes of rising knife crime.

Leaders from member schools called on Mayor Khan to ensure that his Violence Reduction Unit works collaboratively with civic society.



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Hate Crime: In August and September 2019 and working with Dr Farhan Samanani an academic partner from the Max Planck institute CUK hosted hearings with the UK Law Commission, where 241 leaders across 5 cities shared testimony and demanded change. The Law Commission have the task of reviewing national hate crime law with a focus on misogyny, and we will continue to engage them in line with our members' interests, but they are not the only avenue available for making change. The Law Commission hearings also gave us a chance to listen to our membership, and to galvanise them to fight hate crime. Many local chapters have done and continue to do excellent work around hate crime – with twin focus of making misogyny a hate crime and ensuring multiple categories can be recorded for hate crime. In addition, we have raised £120,000 from Comic Relief over three years as part of a 'Power Up!' grant to support women's voice in our leadership.

"We heard from Muslim women facing Islamophobia, black men receiving racist abuse in sport, employment barriers faced by BAME communities - and as a group, worked together to come up with solutions to these issues." Community Organiser, Cardiff

Developing leaders within diaspora communities

CUK's Diaspora Organising Team (DOT) is made up of 14 organisers from across the country. 8 of the team are from diaspora communities themselves (6 of those 8 are first generation migrants). The team works across 9 geographical areas as well as working on national campaigns to develop leaders, ensure they were represented in decision making processes and enable them to work in broad based alliances to tackle local and national issues of concern to their communities.

How long have our leaders been living in the U.K.?



Spearheaded by Claudia Lopez-Prieto and rooted in the experience of Spanish and Latin secondary school pupils that had no access to tech over the 2020 lockdown, Lambeth Citizens launched a campaign to bridge the digital divide in education over the COVID19 pandemic. The team has collected second hand laptops and fundraised to provide young migrants with the devices they need to continue their education. To date, 60 devices have been refurbished and delivered to young people who don't qualify for government schemes because of their immigration status.

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Housing: Our members have been organising to tackle the underlying causes of the housing crisis and homelessness because our communities are directly impacted by these issues. The lack of genuinely affordable homes has a number of consequences: it means that families are no longer able to live in the neighbourhoods they call home, that renters are often forced to live in poor conditions that damage their health and wellbeing and that more people are becoming homeless.

- Citizens' leaders have been persuading Local Authorities to introduce selective landlord licensing schemes, which require private landlords to obtain a license approved by their local Council. Landlord licensing gives Local Authorities greater control, enabling them to check on properties and protect renters from exploitation.
- Citizens' chapters across the country have won commitments from 10 councils to build over 1,200 more permanently affordable Community Land Trust (CLT) homes. This shows that through organising we can turn niche policy ideas into viable plans that benefit large numbers of people and build the powerful movement needed to drive change on this ongoing problem.
- In addition to CLTs, our chapters have been campaigning to increase the percentage of affordable homes on new housing developments, including London's largest development in recent years, the Old Oak and Park Royal Development in Brent.

Our work on these issues in London is made possible thanks to the support of Trust for London.

Refugee Resettlement



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CUK led the campaign that secured a commitment from the UK Government to resettle 20,000 refugees between 2015 and 2020. Subsequently the Home Office announced a Community Sponsorship Scheme (based on a Canadian model) which allows local communities to lead the resettlement of refugee families. Members of CUK were early pioneers of the Community Sponsorship Scheme.

Sponsor Refugees: Since the foundation by CUK in 2017 of Sponsor Refugees that work has continued to grow and as of November 2019, 397 refugee individuals have been welcomed to the UK via Community Sponsorship since the scheme began in 2016.

- CUK and Sponsor Refugees have worked with groups that have welcomed around 40% of that total. The Home Office would like the Community Sponsorship scheme to expand significantly.
- CUK's strategy has been to focus on encouraging and supporting new community sponsorship groups through the 450+ member organisations in its 15 local chapters.
- There are 32 groups for whom CUK is acting as Lead Sponsor, and CUK plan to continue increasing the integration cooperation between Sponsor Refugees and CUK chapters to increase the potential pipeline of community sponsorship groups.

Financial Review

Principal Funding Sources

Our distinctive funding source is the dues of member organisations. This money demonstrates ownership, independence and helps create sustainability. We are now raising £1m from around 500 member communities.

We also benefit from a range of charitable grants from funders. This includes a significant grant of £900,000 over three years from the Community Fund to support the development of ten new CUK alliances into towns and cities across England.

We also generate substantial income from the accreditation of Living Wage Employers. The Centre for Civil Society is a registered trading subsidiary of CUK, which principally deals with the group's trading income. Currently this is exclusively through the payment of accreditation fees to the Living Wage campaign. However, the organisation is in the process of designing bespoke training programmes in line with our objectives to strengthen institutions and developing leaders. These will be delivered by The Centre for Civil Society, a subsidiary of CUK, offering further opportunities for income generation to support the work of CUK.

Financial Performance

CUK's total (consolidated) income for the year ended 31 March 2020 was £5.663m with expenditure totalling £4.922m, resulting in a surplus for the year of £741k. When added to the historic balances brought forward at the start of the year, our overall year-end reserves were £1,301k which will be applied to our charitable activities in the future. This figure comprises £188k of restricted funds and £1,113k of unrestricted funds, including those that have been internally designated. The result for the year is pleasing and includes a £299k release of deferred income. The prior year results were affected by the transfer of the Safe Passage finances to Safe Passage International.

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Reserves Policy

The Trustees have examined the Charity's requirements for reserves in light of the main risks to the organisation.

In October 2017 CUK introduced a new Reserves Policy that has an underlying steer towards building reserves to address the risk of any unplanned occurrences.

The Trustees want to ensure that in an unlikely event of the organisation ceasing its operations, CUK has enough reserves for its winding down costs. These would include employee redundancies, liabilities towards suppliers and the legal costs of winding down. Whilst this is the absolute minimum, the Trustees aspire to building additional reserves to protect the organisation from any short-term funding volatility and to enable CUK to be able to fund any short-term but critically important activities.

The present levels of reserves available to the Charity (at group level) of £419,335 falls significantly short of our target level. Although the strategy is to continue to build reserves through planned operating surpluses, the Trustees are aware that the target range will not be reached for at least five years. In the short term the Trustees have also considered the extent to which existing activities and expenditure could be curtailed should such circumstances arise.

Trustees' Indemnity Insurance

The Charity took out an indemnity insurance to cover its Trustees for 2019/20. The premium for the year was £1,807.

Plans for Future Periods

Our strategic aims for the period to 2023 are:

Breadth

By 2023 we will have built people power alliances in 20 towns and cities across England and Wales, with 600 diverse institutions in membership and tens of thousands of citizens organising for change.

1. Fulfil current commitments to growing broad-based organisations in 10 new places (from list including Sunderland, Kirklees, Preston, Leicester, South Birmingham, Enfield, Barking & Dagenham, Brighton, Southampton, Essex, Taunton, Liverpool, Oxford).
2. Develop regional hubs for learning, action and support. Balance what is still a London-centric organisation with regional collaboration in the Midlands and across the North.
3. Pilot institutional membership outside broad-based alliances offering training and opportunity to work on local and national action.
4. Reach a total of 600 member institutions in 18 Chapters.

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Depth

By 2023, we will have deepened our work in institutions and neighbourhoods, with core teams in over half of our member communities and all Chapters majority funded by membership dues.

1. Active core teams in 50% of all member institutions demonstrating depth of participation and ownership.
2. 75% of member institutions part of active neighbourhood alliances, clusters, and local campaigns.
3. Strong, trained Leadership Groups of 8-15 people in 90% of Chapters.
4. All Chapters at least 60% funded through membership dues.
5. Deeper engagement with core constituencies, evidenced by senior leadership engagement, case studies of mutual benefit, 25 Strategic Partners paying >£5k.

Impact

By 2023, we will have made profound impact with our established campaigns like Living Wage Foundation, PACT and Sponsor Refugees, and through a new method of UK organising and an Impact & Innovation unit, we will have developed several new major campaigns and new expressions of organising.

Top line aims for 2018-2023:

1. Drive greater impact on current major campaigns including Living Wage, PACT, Sponsor Refugees and Housing.
2. Develop a National Organising Methodology and set up an Impact & Innovation Unit to enhance our capacity to run big impact campaigns and create sustainable new social change projects.
3. Develop 3 to 5 new campaigns and social change projects in fields such as work, health and energy.

Organisational development

By 2023, we will have developed the culture, policies and business model to ensure we are an employer of choice, financially resilient and able to pursue our mission now and into the future.

Top line aims for 2018-2023:

1. Culture and values – embedding the 6 organisational values into all aspects of the organisation.
2. Staffing – achieving a step-change in well-being, training and career progression, resulting in improved motivation, performance and retention. Improving our diversity & inclusion processes including in recruitment, progression and pay.
3. Finances – addressing key risk areas by increasing unrestricted reserves to current target of £600k (from £419k); improving cashflow position and planning.
4. Policy development and implementation – improved processes for policy co-design and for policy implementation and tracking, including safeguarding, extremism and incident reporting.

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Structure, Governance and Management

Governing Document

The organisation is a charitable company limited by guarantee, incorporated on 25 October 2004 and registered as a Charity on 14 December 2004 (previously named the Citizens Organising Foundation, registered in 1989). The company was established under a Memorandum of Association, which determined the objects and powers of the charitable company and is governed under its Articles of Association.

Every Member undertakes to contribute the sum of £1 to the assets of the Charity in the event of its being wound up during the time that s/he is a member or within one year afterwards for payments of debts and liabilities of the Charity contracted before s/he ceased to be a Member and of the costs, charges and expenses of winding up the same and for the adjustment of the rights of the contributories amongst themselves.

Membership

CUK has two categories of membership:

1. The Trustees (A Trustee shall become a Member on becoming a Trustee), and the Chapter Representatives, elected at the Annual Meeting of each Chapter.
2. Organisations (mosques, churches, synagogues, GP practices, universities, schools, charities, health trusts etc) who pay membership dues and receive benefits in return.

Internal Governing Document

There are a further three documents that form part of the internal governing documents, and which set out the roles and responsibilities of the separate layers of the organisation. These are:

1. Memorandum of Understanding
 - Internal document describing what a local chapter can expect to receive from CUK and what is expected of the Leadership Group.
2. Letter of Understanding
 - Internal document setting out what a Member Institution can expect to gain from membership of a CUK chapter and what they are expected to commit on their side.
3. Management Manual
 - Internal document that offers guidance to Leadership Groups about best practice in the operation of chapters, in relation to Trustees, organisers and the CUK Council.
 - Details of the CUK governance.
 - The legal duties of the Trustees to ensure chapters understand their responsibilities and to protect the whole organisation from regulatory and other risks.

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An internal governance group, comprised of staff, Trustees and council members, is currently reviewing the Management Manual.

Recruitment and Appointment of Board of Trustees

The directors of the company are also Charity Trustees for the purposes of Charity law and under the company's articles. Under the requirements of the Articles of Association Trustees serve for a term of 3 years from the date of their election or appointment and are eligible for re-election or re-appointment provided that no Trustee may continue to serve after nine years (three terms) in office without a period of at least a year out of office. Retiring Trustees shall step down at the CUK Annual Meeting held in the year that they are due to retire.

The Board of Trustees consists of not less than three and no more than ten persons elected by the Members against criteria set by the Board of Trustees and not more than ten persons appointed by the Board of Trustees.

Trustee Induction and Training

Upon appointment all Trustees are given a copy of the Articles of Association and Charity Commission guidance, The Essential Trustee (CC3).

All elected Trustees are expected to attend Citizen UK's six-day National Training. Trustees who are nominated are encouraged to attend the six-day or the two-day Introduction to Leadership.

Trustees are encouraged to participate in CUK activities as well as staff trainings.

Following the introduction of a new Company Secretary role in January 2018 an induction programme has been put in place based on the Code of Governance.

Risk Management

The Charity Trustees have given consideration to the major risks to which the Charity is exposed and satisfied themselves that systems or procedures are established in order to manage those risks.

The CUK Risk Register is tailored to fit the circumstances of CUK's work and defines and addresses areas of significant risk: Funding, Capability, Information Security, Reputation, Safeguarding, Membership and Leadership Engagement.

The responsibility for managing each risk is allocated to individuals within the Senior Management Team who have specialist knowledge of their area of work and is reviewed on a bi-annual basis by the Finance, Risk and Audit (FRA) Sub-Committee and the full board of Trustees.

Organisational Structure

Trustees

CUK has a Trustee board of up to 20 members who meet quarterly and are responsible for the strategic direction and policy of the Charity. As at 27 October 2020 the Board has 12 members from a variety of professional backgrounds relevant to the work of the Charity.

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CUK also has 4 sub-committees: Personnel and Safeguarding, Finance, Risk and Audit and Mission, Membership and Governance and Nominations, all 4 of which meet quarterly in advance of Trustee meetings. Comprised of up to five Trustees with specialist knowledge in the field as well as members of the Senior Management Team, they are able to scrutinise in more depth matters that fall into their remit.

The Board has delegated the day-to-day running and decision making of the Charity to the Senior Management Team.

CUK Leadership Team

The CUK Leadership Team comprises of several delegates from each Chapter, and encourages idea sharing and co-operation across the network on common priorities. They meet monthly online to plan national campaigns and organise the annual UK Delegates Assembly.

Chapters and Leadership Groups

Within the Charity there are Chapters that further the objects of the Charity at a local level. Member institutions sign a Letter of Understanding with the Charity, the terms of which govern its membership of the local Chapter. Each Chapter shall have a Local Leadership Group which shall consist of not less than 8 and not more than 15 persons elected by member institutions.

The Local Leadership Group shall have delegated powers to administer the business of the Chapter and shall sign a Memorandum of Understanding with the Charity. Each Local Leadership Group may co-opt up to three additional members. A representative of the Local Leadership Group ("Chapter Representative") shall be elected at the Annual Meeting to represent and exercise the Chapter's vote at the CUK Annual Meeting.

Related Parties

CUK includes the four Chapters of London Citizens (North, South, East and West); Citizens:MK (Milton Keynes); Nottingham Citizens; CUK Birmingham; Cardiff Citizens and Vale of Glamorgan Citizens under the national banner of Citizens Cymru Wales; Leeds Citizens; Tyne & Wear Citizens (Newcastle, Sunderland and Durham); Greater Manchester Citizens; Leicester Citizens; Colchester Citizens; Taunton Citizens; Brighton Citizens.

The Living Wage Foundation, PACT, NCOT and Sponsor Refugees Foundation are all initiatives of CUK and operate under the authority and oversight of CUK Trustees.

The child refugee resettlement project Safe Passage UK until March 2019 was a part of CUK but has now formally separated and become an independent Charity in its own right.

CUK also has links with DICO in Germany, IAF in the USA and Canada and the Sydney and Brisbane Alliances. We also have links with developing alliances in Denmark and Hong Kong.

The London Community Land Trust is our sister organisation, which initially started as a CUK campaign. Due to the commercial interests of the operation, it has become a separate independent legal entity but continues to work very closely with CUK to increase the number of sites dedicated to community led housing across our Alliances.

CITIZENS UK CHARITY AND SUBSIDIARY

REPORT OF THE EXECUTIVE DIRECTOR AND TRUSTEE BOARD

Statement of Trustees' responsibilities

The Trustees, who are also Directors of CUK Charity for the purposes of company law, are responsible for preparing the Report of the Executive Director and Trustee Board and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources including the income and expenditure of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- * select suitable accounting policies and then apply them consistently;
- * observe the methods and principles in the Charities SORP;
- * make judgments and estimates that are reasonable and prudent;
- * state whether applicable accounting standards and statements of recommended practice 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 Trust will continue in existence.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that so far as they are aware, there is no relevant audit information of which the charitable company's auditors are unaware. They have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

A resolution to re-appoint Scrutton Bland LLP as auditor of the Trust will be put to the Trustees.

The financial statements have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

Signed for and on behalf of the Trustees



Revd Canon Karen Rooms

Chair of the Board of Trustees

Approved by the Trustees on 24/10/20.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CITIZENS UK CHARITY

We have audited the group and parent company financial statements of CUK Charity for the year ended 31 March 2020 which comprise the consolidated statement of financial activities (including the group income and expenditure account), group and company balance sheets, statements of changes in equity, statement of cash flows and consolidated statement of cash flows and related notes to the financial statements, including a summary of significant accounting policies. The relevant financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 March 2020 and of the group's incoming resources and application of resources, including its income and expenditure, 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 and the Charities Act 2011.

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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CITIZENS UK CHARITY

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report of the Executive Director and Trustee Board other than the 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. 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 Report of the Executive Director and Trustee Board for the financial year for which the financial statements are prepared is consistent with the financial statements and this report has 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Executive Director and Trustee Board.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Report of the Executive Director and Trustee Board.

INDEPENDENT AUDITOR'S' REPORT TO THE MEMBERS OF CITIZENS UK CHARITY

Respective responsibilities of trustees and auditor

As explained more fully in the trustees' responsibilities statement set out on page 18, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 trustees 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 trustees are responsible for assessing the charitable 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 trustees either intend to liquidate the charitable 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: <https://www.frc.org.uk/auditresponsibilities>. This description forms part of our audit's report.

Use of our report

This report is made solely to the charity'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 charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



SCRUTTON BLAND LLP

Chartered Accountants and Statutory Auditor
Senior Statutory Auditor: Timothy O'Connor

820 The Crescent
Colchester Business Park
Colchester
Essex
CO4 9YQ

Date: 10/12/20

CITIZENS UK CHARITY AND SUBSIDIARY

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING THE GROUP INCOME AND EXPENDITURE ACCOUNT) YEAR ENDED 31 MARCH 2020

	Notes	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Total Funds 2019 £
Income from:					
Donations and legacies	4	300,762	2,697,516	2,998,278	3,438,245
Donations and grants in kind		23,808	-	23,808	30,483
Charitable activities:					
Membership dues		945,808	-	945,808	883,274
Training services		64,597	-	64,597	70,684
Other trading activities:					
Projects and other income		1,630,556	-	1,630,556	1,330,123
Total income		2,965,531	2,697,516	5,663,047	5,752,809
Expenditure on:	5				
Raising funds:					
Fundraising costs for grants and donations		524,158	-	524,158	316,775
Charitable activities:					
Capacity building for community organising		1,757,645	2,639,784	4,397,429	5,929,614
Total expenditure		2,281,803	2,639,784	4,921,587	6,246,389
Net income/(expenditure) for the year	6, 7	683,728	57,732	741,460	(493,580)
Balances brought forward at 1 April 2019		428,955	130,819	559,774	1,053,354
Balances carried forward 31 March 2020	18	£ 1,112,683	£ 188,551	£ 1,301,234	£ 559,774

The Statement of Financial Activities includes all gains and losses for the year. All incoming resources and resources expended derive from continuing activities.

The charitable company has taken advantage of section 408 of the Companies Act 2006 not to publish its own Statement of Financial Activities.

The notes on pages 26 to 45 form part of these financial statements.

CITIZENS UK CHARITY AND SUBSIDIARY

GROUP AND COMPANY BALANCE SHEETS AS AT 31 MARCH 2020

	Notes	The Group		The Company	
		2020 £	2019 £	2020 £	2019 £
Fixed assets					
Tangible assets	11	604	6,615	604	3,490
Investments	12	-	-	100	100
		604	6,615	704	3,590
Current assets					
Debtors	13	1,079,506	1,505,536	1,003,098	1,261,066
Cash and cash equivalents		914,754	259,098	773,874	224,381
		1,994,260	1,764,634	1,776,972	1,485,447
Creditors: amounts falling due within one year	14	617,426	1,138,369	400,238	856,157
Net current assets		1,376,834	626,265	1,376,734	629,290
Total assets less current liabilities		1,377,438	632,880	1,377,438	632,880
Creditors: amounts falling due after one year	15	76,204	73,106	76,204	73,106
Net assets		£ 1,301,234	£ 559,774	£ 1,301,234	£ 559,774
Charity Funds	18				
Unrestricted funds					
Designated funds		693,348	-	693,348	-
General funds		419,335	428,955	419,335	428,955
		1,112,683	428,955	1,112,683	428,955
Restricted funds		188,551	130,819	188,551	130,819
	17	£ 1,301,234	£ 559,774	£ 1,301,234	£ 559,774

The financial statements have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustee Board on 27/10/20

Karen Rooms

Revd Canon Karen Rooms
Chair of the Board of Trustees

Company registration number: 05268071
Charity registration number: 1107264

The notes on pages 26 to 45 form part of these financial statements.

CITIZENS UK CHARITY AND SUBSIDIARY

STATEMENTS OF CHANGES IN EQUITY YEAR ENDED 31 MARCH 2020

	Unrestricted Funds £	Restricted Funds £	Total £
Group			
At 1 April 2018	690,755	362,599	1,053,354
Net expenditure for the year	(261,800)	(231,780)	(493,580)
At 31 March 2019	428,955	130,819	559,774
Net income for the year	683,728	57,732	741,460
At 31 March 2020	<u>£ 1,112,683</u>	<u>£ 188,551</u>	<u>£ 1,301,234</u>

	Unrestricted Funds £	Restricted Funds £	Total £
Charity			
At 1 April 2018	690,755	362,599	1,053,354
Net expenditure for the year	(261,800)	(231,780)	(493,580)
At 31 March 2019	428,955	130,819	559,774
Net income for the year	683,728	57,732	741,460
At 31 March 2020	<u>£ 1,112,683</u>	<u>£ 188,551</u>	<u>£ 1,301,234</u>

The notes on pages 26 to 45 form part of these financial statements.

CITIZENS UK CHARITY AND SUBSIDIARY

STATEMENT OF CASH FLOWS AND CONSOLIDATED STATEMENT OF CASH FLOWS YEAR ENDED 31 MARCH 2020

		The Group		The Company	
	Note	2020 £	2019 £	2020 £	2019 £
Cash flows from operating activities					
Net movement in funds		741,460	(493,580)	741,460	(493,580)
Depreciation of tangible assets		2,886	6,649	2,886	6,649
Interest costs (FRS 102 pension)		21,748	11,297	21,748	11,297
Decrease/(Increase) in debtors		426,030	(449,137)	257,968	(194,801)
(Decrease)/Increase in creditors		(517,845)	536,440	(452,821)	340,737
Net cash generated from/(used in) operating activities		674,279	(388,331)	571,241	(329,698)
Cash flows from investing activities					
Loss on disposal of tangible fixed assets		3,125	-	-	-
Purchase of tangible fixed assets		-	(3,125)	-	-
Net cash generated from/(used in) investing activities		3,125	(3,125)	-	-
Cash flows from financing activities					
Interest costs (FRS 102 pension)		(21,748)	(11,297)	(21,748)	(11,297)
Net cash used in financing activities		(21,748)	(11,297)	(21,748)	(11,297)
Increase/(decrease) in cash and cash equivalents in the year		655,656	(402,753)	549,493	(340,995)
Cash and cash equivalents brought forward		259,098	661,851	224,381	565,376
Cash and cash equivalents carried forward	23	£ 914,754	£ 259,098	£ 773,874	£ 224,381

The notes on pages 26 to 45 form part of these financial statements.

CITIZENS UK CHARITY AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2020

1 GENERAL INFORMATION

CUK is a company limited by guarantee, registered in England and Wales, registration number 05268071. The registered office address is 136 Cavell Street, London, E1 2JA. It is also a registered charity, registration number 1107264.

2 ACCOUNTING POLICIES

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year.

Basis of accounting

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements include the result of the Company and its wholly owned subsidiary, Centre for Civil Society Limited (Company number: 07333734) made up to 31 March 2020. Intra group transactions are eliminated on consolidation. Information about the subsidiary undertaking is provided in note 21 to the accounts.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are prepared in pounds sterling and are rounded to the nearest £1.

Going concern

In accordance with Government directives issued on 23 March 2020 the charity and group continue to be affected by restrictions imposed on activities and social distancing relating to the spread of coronavirus. The impact of the coronavirus will continue to have a significant effect on the economy during the year ended 31 March 2021, although the nature of the charity and group's activities mean that the Government's measures are not deemed to have a significant impact upon the charity and group's ability to fulfil the services they provide nor on their ongoing viability. The Trustees continue to monitor the effect of coronavirus and forecasting indicates that liabilities will continue to be met as they fall due. However, because not all future events or conditions can be predicted, it is not possible to guarantee the group's ability to continue as a going concern. The future of the world economy is unclear at this present time due to the ongoing coronavirus outbreak and it is therefore difficult to evaluate all of the potential implications on the group's services, beneficiaries, suppliers and the wider economy.

Consolidation

The consolidated financial statements incorporate the financial statements of the charitable company and its wholly owned subsidiary. The results of the subsidiary undertaking are consolidated on a line by line basis. As a consolidated statement of financial activities is published, a separate statement of financial activities for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

CITIZENS UK CHARITY AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2020

2 ACCOUNTING POLICIES - (continued)

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Any unrestricted funds that have been set aside by the trustees for particular purposes would be treated as designated funds.

Restricted funds are funds which are to be used in accordance with the specific restrictions imposed by donors or which have been raised by the charity for particular purposes.

Further details regarding unrestricted funds and restricted funds can be found in the relevant notes to the financial statements.

Income

All income is included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Grants and donations are included in full in the statement of financial activities when receivable. Dues receivable from member organisations are recognised when payment is requested. Donated goods and services are assessed, and where material, are recognised in both income and expenditure.

Income from investments is included when receivable.

Income is deferred where relevant, including situations in which there are performance criteria attached to the conditions of the funding.

Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes VAT which cannot be recovered, and is reported as part of the expenditure to which it relates.

Expenditure on raising funds are those costs incurred by the charity in generating income, and principally comprise staff time spent preparing and submitting grant applications and maintaining relationships with funders.

Expenditure on charitable activities comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned on an appropriate basis e.g. estimated usage.

CITIZENS UK CHARITY AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2020

2 ACCOUNTING POLICIES - (continued)

Tangible fixed assets and depreciation

Assets with a cost of less than £350 are expensed. Fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated so as to write down to estimated residual value the cost of all other tangible fixed assets over their estimated useful lives as follows:

- | | |
|-------------------------|------------------------------|
| Leasehold improvements | - over the term of the lease |
| Office and IT equipment | - 25% straight line |

Operating leases

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

Investments

Investments are stated at cost less provision for any diminution in value.

Cash and cash equivalents

Cash equivalents are recognised as such and included with other cash balances where they represent short term, highly liquid investments that are readily convertible to known amounts of cash without being subject to a significant change in value.

Pension costs

The Company participates in the Pensions Trusts Growth Plan (the Plan). The Plan includes both defined benefit (now closed) and defined contribution benefit structures. The assets of the scheme are held separately from those of the charity in an independently administered fund. The plan is funded and is not contracted out of the state scheme. Due to the nature of the Plan, being a multi-employer pension Plan, the accounting charge for the period under FRS 102 represents the employer contribution payable. An accrual has been made for deficit repayment plans that the company is liable to meet. For details see Note 19.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets or financial liabilities:

- Short term debtors (financial assets) are measured at the transaction price.
- Short term creditors (financial liabilities) are measured at the transaction price.
- Long term debtors and creditors are discounted, where required, and where the discounting adjustment would be material.

CITIZENS UK CHARITY AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2020

3 SIGNIFICANT JUDGEMENTS AND ESTIMATES

The more significant judgements and estimates involved in the preparation of the financial statements include:

- Assessing the potential impact of discounting the long term pension liabilities that arise under the terms of the deficit repayment plans.
- Assessing the depreciation rates applicable to tangible fixed assets and the way in which certain costs should be apportioned.
- Assessing the necessity and quantum of any provision for doubtful debts in light of expected debtor recoverability.

CITIZENS UK CHARITY AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2020

4 INCOME FROM DONATIONS AND LEGACIES

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Total Funds 2019 £
Analysis by activity:				
Advisory and support services	£ 300,762	£ 2,697,516	£ 2,998,278	£ 3,438,245
This can be further analysed as:				
38 Degrees	-	10,000	10,000	71,744
Action in Caerau and Ely	-	12,000	12,000	3,000
Aston University	-	-	-	11,500
Aviva Plc	-	-	-	25,000
Barrow Cadbury Trust	-	-	-	20,000
Big Lottery Fund	-	479,712	479,712	442,985
Birmingham Chamber of Commerce	-	18,576	18,576	-
Blackham LG and MJ – Safe Passage	-	-	-	32,034
Bradford Metropolitan District Council	-	50,000	50,000	-
British Red Cross	-	-	-	20,800
Bulb Energy	-	-	-	25,000
Caritas Westminster	-	10,000	10,000	-
City Safe	-	-	-	20,000
Comic Relief	-	24,848	24,848	80,000
East London Citizens CLT	-	40,000	40,000	50,000
European Programme for Integration and Migration	-	-	-	29,229
Fawcett Society	-	39,375	39,375	-
Frontline	-	29,719	29,719	-
Gibbs Charitable Trust	-	-	-	2,000
Groundwork UK	-	66,074	66,074	27,000
Guys and St Thomas' Charity	-	113,507	113,507	72,762
International Observatory of Human Rights	-	-	-	10,000
Joseph Rowntree Foundation	-	110,475	110,475	96,413
Joseph Rowntree Reform Trust	-	64,770	64,770	-
London South Bank University	-	9,927	9,927	8,351
London Sustainability Exchange	-	10,000	10,000	-
M K Community Foundation	-	4,500	4,500	8,100
Carried forward	-	1,093,483	1,093,483	1,352,794

CITIZENS UK CHARITY AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2020

4 INCOME FROM DONATIONS AND LEGACIES – (continued)

	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Total Funds 2019 £
Brought forward	-	1,093,483	1,093,483	1,352,794
National Environment Research	-	13,825	13,825	-
Nasuwat	-	-	-	5,244
Nesta	-	88,350	88,350	55,000
Oak Foundation	-	399,839	399,839	165,292
Octopus Energy	-	-	-	25,000
Oxfam GB	-	20,000	20,000	-
PA to the Bishop of Barking	-	-	-	18,000
Paul Hamlyn Foundation	-	80,000	80,000	97,300
Peoples Health Trust - PHT	-	32,419	32,419	52,471
Peterborough City Council	-	52,500	52,500	-
Porticus UK	-	29,667	29,667	7,968
Reset Communities and Refugees Ltd	-	10,000	10,000	25,300
SEF Cymru	-	-	-	12,500
Sigrid Rausing Trust	-	-	-	70,000
Southwark Council and NHS Southwark	-	-	-	-
CCG	-	40,000	40,000	-
SPUK	-	-	-	279,486
The Aziz Foundation	-	-	-	15,000
The Barrow Cadbury Trust	-	12,500	12,500	-
The Forum	-	-	-	4,666
The Health Foundation	-	-	-	27,000
The Rank Foundation	-	-	-	27,600
The Tudor Trust	-	-	-	3,000
Trust for London	-	211,000	211,000	178,987
Unbound Philanthropy	-	90,000	90,000	100,000
UNHCR	-	-	-	115,722
Volant Charitable Trust	-	252,000	252,000	228,000
Other donations	300,762	271,936	572,695	868,791
Total grants and donations	£ 300,762	£ 2,697,516	£ 2,998,278	£ 3,438,245

Restricted funds received above total £2,697,516 (2019: £2,569,454).

CITIZENS UK CHARITY AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2020

5 EXPENDITURE

	Fund-raising 2020 £	Community organising 2020 £	Governance 2020 £	Total 2020 £	Total 2019 £
Costs directly allocated to activities					
Grants paid	-	51,500	-	51,500	64,984
Staff costs	524,158	2,599,069	58,218	3,181,445	3,541,485
Project costs	-	611,986	-	611,986	1,057,255
Transfer of activities	-	-	-	-	305,889
Support costs allocated to activities					
Staff training, recruitment and DBS checks	-	65,405	-	65,405	107,928
Premises costs	-	194,251	-	194,251	257,814
Postage, printing and stationery	-	67,032	-	67,032	65,663
Travelling, subsistence and hospitality	-	152,251	-	152,251	310,960
Equipment leasing	-	27,783	-	27,783	47,057
IT and communication costs	-	95,078	-	95,078	106,250
Auditor's fees	-	-	15,950	15,950	19,875
Legal, professional and accountancy fees	-	-	37,858	37,858	104,023
Depreciation	-	2,886	-	2,886	6,649
Doubtful debts	-	238,260	-	238,260	126,840
Other expenses	-	158,154	-	158,154	112,420
Pension deficit costs	-	21,748	-	21,748	11,297
Total expenditure	£ 524,158	£ 4,285,403	£ 112,026	£ 4,921,587	£ 6,246,389

Restricted expenditure above totals £2,639,784 (2019 : £2,801,234).

All grants made by the charity were paid to institutions for the purpose of community organising which is in line with the charity's objectives.

6 NET INCOME FOR THE YEAR

	2020 £	2019 £
This is stated after charging:		
Depreciation of tangible fixed assets	2,886	6,649
Operating lease rentals - land and buildings	88,300	88,300
Operating lease rentals - other	18,317	20,768
Auditor's remuneration - audit	15,550	16,450
Auditor's remuneration - other services	400	3,425

CITIZENS UK CHARITY AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2020

7 NET INCOME OF THE PARENT UNDERTAKING

	2020	2019
Net income/(expenditure) for the year of Citizens UK Charity	£ 741,460	£ (493,580)

8 STAFF COSTS AND NUMBERS

	2020 £	2019 £
Staff costs (including those recharged) were as follows:		
Salaries	2,670,911	2,964,193
Social security costs	265,041	298,632
Pension costs	245,493	278,660
	£ 3,181,445	£ 3,541,485

The number of employees with total remuneration over £60,000 during the year was:

	2020 Number	2019 Number
In the band £60,000 - £70,000	-	1
In the band £70,000 - £80,000	3	1
In the band £80,000 - £90,000	-	-
In the band £90,000 - £100,000	1	1
	4	3

The key management personnel of the group comprise those of the charity and those of its wholly owned subsidiary, Centre for Civil Society Limited.

The total remuneration of the key management personnel was £351,682 (2019 : £322,929).

The average monthly number of employees (including those recharged during the year), was as follows:

	2020 Number	2019 Number
Executive Director and Lead Organiser	1	1
Community Organisers	53	56
Directors	2	2
Managers	5	5
Administrators	8	9
Cleaner	1	1
	70	74

CITIZENS UK CHARITY AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2020

9 TRUSTEE REMUNERATION AND EXPENSES

No Trustee received any remuneration during the year. Travel expenses of £1,922 (2019 : £1,498) were reimbursed to five (2019 : four) Trustees during the year. No Trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year. The Trustees, as a body, have ultimate control of the charity.

10 TAXATION

As a registered charity, Citizens UK Charity is exempt from tax on income and gains falling within Part 11 of the Corporation Tax Act 2010 to the extent that these are applied to its charitable objectives. No charges have arisen in the charity. The charity is registered for Gift Aid with HM Revenue and Customs under reference XT26943. The subsidiary company pays Gift Aid to Citizens UK.

11 TANGIBLE FIXED ASSETS

	Leasehold improvements £	Office and IT equipment £	Total £
The company			
Cost			
At 31 March 2019 and 31 March 2020	<u>4,078</u>	<u>19,397</u>	<u>23,475</u>
Depreciation			
At 1 April 2019	3,057	16,928	19,985
Charge for the year	<u>1,021</u>	<u>1,865</u>	<u>2,886</u>
At 31 March 2020	<u>4,078</u>	<u>18,793</u>	<u>22,871</u>
Net book value			
At 31 March 2020	<u>£ -</u>	<u>£ 604</u>	<u>£ 604</u>
At 31 March 2019	<u>£ 1,021</u>	<u>£ 2,469</u>	<u>£ 3,490</u>

The charity's tangible fixed assets are used to support charitable activities.

CITIZENS UK CHARITY AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2020

11 TANGIBLE FIXED ASSETS – (continued)

	Leasehold improvements £	Office and IT equipment £	Total £
The group			
Cost			
At 1 April 2019	4,078	22,522	26,600
Disposals	-	(3,125)	(3,125)
At 31 March 2020	4,078	19,397	23,475
Depreciation			
At 1 April 2019	3,057	16,928	19,985
Charge for the year	1,021	1,865	2,886
At 31 March 2020	4,078	18,793	22,871
Net book value			
At 31 March 2020	£ -	£ 604	£ 604
At 31 March 2019	£ 1,021	£ 5,594	£ 6,615

The charity's tangible fixed assets are used to support charitable activities.

CITIZENS UK CHARITY AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2020

12 FIXED ASSET INVESTMENTS

	2020 £	2019 £
The company		
Shares in subsidiary undertakings	<u>100</u>	<u>100</u>

The company owns 100% of the issued share capital of Centre for Civil Society Limited (Registered company number 07333734) a company registered in England and Wales. For the principal activity and further details of the Centre for Civil Society Limited see Note 21.

13 DEBTORS

	2020 £	2019 £
The company		
Accounts receivable	470,980	766,721
Accrued grants receivable	33,825	131,330
Other debtors	-	17,681
Amounts owed by group undertakings	448,508	295,736
Prepayments	49,785	49,598
	<u>£ 1,003,098</u>	<u>£ 1,261,066</u>

The group

Accounts receivable	995,896	1,305,574
Accrued grants receivable	33,825	131,330
Other debtors	-	17,681
Prepayments	49,785	50,951
	<u>£ 1,079,506</u>	<u>£ 1,505,536</u>

CITIZENS UK CHARITY AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2020

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
The company		
Accounts payable	120,048	199,138
Social security and other taxation	-	66,392
Other creditors	152,389	119,659
Accruals	12,000	159,739
Deferred income	-	298,738
Pension deficit accrual	15,801	12,491
Loan account	100,000	-
	<u>£ 400,238</u>	<u>£ 856,157</u>
The group		
Accounts payable	120,048	380,700
Social security and other taxation	65,039	126,423
Other creditors	262,603	160,278
Accruals	52,685	159,739
Deferred income	1,250	298,738
Pension deficit accrual	15,801	12,491
Loan account	100,000	-
	<u>£ 617,426</u>	<u>£ 1,138,369</u>

15 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020 £	2019 £
The company		
Pension deficit accrual	<u>£ 76,204</u>	<u>£ 73,106</u>
The group		
Pension deficit accrual	<u>£ 76,204</u>	<u>£ 73,106</u>

CITIZENS UK CHARITY AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2020

16 GRANTS RECEIVED IN ADVANCE (DEFERRED INCOME)

	2020 £	2019 £
The group and the company		
Deferred at 1 April 2019	298,738	245,963
Released to Statement of Financial Activities	(298,738)	(245,963)
Received and deferred in the year	-	298,738
	<u>£ -</u>	<u>£ 298,738</u>
Deferred at 31 March 2020		

17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	Total funds £
The company			
Tangible fixed assets	604	-	604
Fixed asset investments	100	-	100
Net current assets	1,118,183	188,551	1,376,734
Long term liabilities	(76,204)	-	(76,204)
	<u>£ 1,112,683</u>	<u>£ 188,551</u>	<u>£ 1,301,234</u>
The group			
Tangible fixed assets	604	-	604
Net current assets	1,118,283	188,551	1,376,834
Long term liabilities	(76,204)	-	(76,204)
	<u>£ 1,112,683</u>	<u>£ 188,551</u>	<u>£ 1,301,234</u>

CITIZENS UK CHARITY AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2020

18 MOVEMENT IN FUNDS

	At 1 April 2019 £	Incoming resources £	Outgoing resources £	Transfers £	At 31 March 2020 £
The group					
Unrestricted funds:					
Designated funds	-	2,446,988	(1,753,640)	-	693,348
General funds	428,955	518,543	(528,163)	-	419,335
Total unrestricted funds	<u>£ 428,955</u>	<u>£ 2,965,531</u>	<u>£ (2,281,803)</u>	<u>£ -</u>	<u>£ 1,112,683</u>
Restricted funds:					
Birmingham Citizens	-	144,209	(135,209)	-	9,000
Brighton	-	32,850	(32,850)	-	-
Citizens Cymru Wales	1,403	232,365	(233,768)	-	-
Essex	-	61,380	(40,890)	-	20,490
Greater Manchester Citizens	-	57,167	(57,167)	-	-
Jewish Membership	-	56,189	(56,189)	-	-
Leicester	-	62,862	(57,964)	-	4,898
Leeds Citizens	-	98,578	(98,578)	-	-
NCOT	28,609	130,491	(159,100)	-	-
North London Citizens	-	242,954	(232,474)	-	10,480
Nottingham Citizens	-	88,010	(88,010)	-	-
Preston	-	30,500	-	-	30,500
PACT	27,889	334,061	(323,647)	-	38,303
Refugee Welcome	70,283	280,111	(302,394)	-	48,000
South London Citizens	-	225,085	(225,085)	-	-
Peterborough	-	21,400	(7,357)	-	14,043
Somerset	-	27,759	(27,170)	-	589
Thames Valley	2,635	53,046	(55,681)	-	-
TELCO	-	346,126	(346,126)	-	-
Tyne Citizens	-	118,685	(108,045)	-	10,640
West London Citizens	-	53,688	(52,080)	-	1,608
Total restricted funds	<u>£ 130,819</u>	<u>£ 2,697,516</u>	<u>£ (2,639,784)</u>	<u>£ -</u>	<u>£ 188,551</u>
Total funds	<u>£ 599,774</u>	<u>£ 5,663,047</u>	<u>£ (4,921,587)</u>	<u>£ -</u>	<u>£ 1,301,234</u>

CITIZENS UK CHARITY AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2020

18 MOVEMENT IN FUNDS – (continued)

Purpose of funds

In respect of the more material funds:

- Designated funds relate to the Company's Living Wage Foundation work.
- All restricted grants referring to 'organiser' or regional locations represent funding for community organisers in the areas shown, or for the projects named in the relevant areas.
- The Refugee Welcome project is primarily focused on sponsoring refugees and is mainly funded by the Sponsor Refugees Foundation.

19 PENSION COMMITMENTS (THE GROUP AND THE COMPANY)

The Company participates in the Pensions Trust's Growth Plan (the Plan). The Plan is funded and is not contracted out of the state scheme. It is a multi-employer pension plan and the share of underlying assets and liabilities belonging to individual participating employers constantly varies according to, for example, the performance of the Plan's investments. Due to the nature of the Plan, the accounting charge for the period under FRS 102 represents the employer contributions payable. The Plan includes both defined benefit (now closed) and defined contribution benefit structures (known as "Series"), and as such it has inherent guarantees that mean that the Company may need to make further contributions to meet deficits.

CITIZENS UK CHARITY AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2020

19 PENSION COMMITMENTS (THE GROUP AND THE COMPANY) – (continued)

Following a change in legislation in September 2005, the potential debt on the Company could be levied by the Trustees of the Plan in the event of the Company ceasing to participate in the Plan or the Plan winding up, increased substantially. More recently, certain provisions of the Pensions Act 2011 which came into force on 24 July 2014 altered the definition of money purchase benefits in relation to Series 3 of the Growth Plan so that a liability arises to employers from past membership of any existing Series except Series 4. The debt for the Plan as a whole is calculated by comparing the liabilities for the Plan (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Plan. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Plan's liability attributable to members' employment with the leaving employer compared to the total amount of the Plan's liabilities (relating to members' employment with all the other current participating employers). The leaving employer's debt may also include a share of any 'orphan' liabilities in respect of other former participating employers. The amount of the debt therefore depends on many factors including total Plan liabilities, Plan investment performance, the liabilities in respect of current former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amount of any debt can therefore fluctuate over time.

The Company has been notified by the Pensions Trust of its estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30 September 2017. As of this date the estimated debt for the Company was £202,178. Whilst this contingent liability is not provided for within the accounts, the following paragraph shows the accrual that has been made in relation to the deficit as a result of the transition to FRS 102.

The Company has also been notified that additional contributions were payable for 10 years from 1 April 2014 in order to eliminate the Company's share of the funding deficit in the Plan. In accordance with the Company's accounting policy, this expenditure will be recognised in the accounts as the contributions become payable. A liability of £92,005 has been recognised at 31 March 2020 (2019 : £85,597) in respect of the deficit repayments that the company is liable to meet. This represents amounts falling due both within, and after, one year.

At the year end there were outstanding contributions amounting to £Nil (2019: £22,838).

CITIZENS UK CHARITY AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2020

19 PENSION COMMITMENTS (THE GROUP AND THE COMPANY) – (continued) Deficit Repayment Plan

Under FRS 102 the Company is required to provide for liabilities falling due in respect of pension scheme deficit repayment plans where it has entered into such agreements to reduce its deficits.

As a result of the materiality of the balance, it has been necessary to discount this. Based on a discount rate of 3.5%, the effect of discounting the pension deficit over the remaining life of the repayment plan will be to reduce the total liability by £10,183.

20 LEASING COMMITMENTS (THE GROUP AND THE COMPANY)

At 31 March 2020 the group and the company had total commitments under non-cancellable operating leases as set out below:

	Land and buildings 2020 £	Other 2020 £	Land and buildings 2019 £	Other 2019 £
Operating leases which expire:				
Not later than one year	127,520	28,150	88,300	15,956
Later than one year and not later than five years	240,035	15,977	77,133	14,972
Later than five years	8,750	-	16,250	-
	<u>£ 376,305</u>	<u>£ 44,127</u>	<u>£ 181,683</u>	<u>£ 30,928</u>

CITIZENS UK CHARITY AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2020

21 SUBSIDIARY UNDERTAKING – CENTRE FOR CIVIL SOCIETY LIMITED

The mission of the Centre for Civil Society is to strengthen and support Civil Society as the 'First Sector' in Britain and Ireland. A powerful Civil Society will balance the power of the State and the market. This is necessary for a healthy democracy.

In the long term the aim of the Centre is to be the voice of Civil Society in the UK - to encourage developments which enhance Civil Society and to speak out and act on developments which undermine and threaten Civil Society. Initially, the company will act as a delivery vehicle for developing citizens training and supporting the unique alliance of major Civil Society partners who share a primary interest in this sector and its survival and strength.

The company will, among other activities, undertake training, research and consultancy with Strategic Partners that wish to develop an 'organising' culture and approach across their membership and core institutions. The Centre will eventually include the provision of archives, advocacy and policy co-ordination, and be a focus for relevant research. It will also deliver the training objectives of CUK and contribute to the strategic development of Citizens' organisations around the UK and overseas.

During 2019/20 financial year most income received by CfCS related to Living Wage Accreditation income from Living Wage Employers.

	2020 £	2019 £
Income	1,665,557	1,362,876
Expenditure	607,785	629,059
Result for the year	£ 1,057,772	£ 733,817
	2019 £	2018 £
Summary balance sheet:		
Fixed assets	-	3,125
Current assets	665,795	574,922
Current liabilities	(665,695)	(577,947)
Net assets	£ 100	£ 100
Share capital	100	100
Reserves	-	-
	£ 100	£ 100

CITIZENS UK CHARITY AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2020

22 FINANCIAL INSTRUMENTS

	The Group		The Company	
	2020 £	2019 £	2020 £	2019 £
Financial assets				
Financial assets measured at the transaction price	<u>£ 1,029,720</u>	<u>£ 1,436,904</u>	<u>£ 953,313</u>	<u>£ 1,193,187</u>
Financial liabilities				
Financial liabilities measured at the transaction price	272,733	380,700	220,038	199,138
Financial liabilities measured at fair value	<u>92,005</u>	<u>85,597</u>	<u>92,005</u>	<u>85,597</u>
	<u>£ 364,738</u>	<u>£ 466,297</u>	<u>£ 312,043</u>	<u>£ 284,735</u>

Financial assets measured at transaction price comprise accounts receivable, grants receivable and certain other debtors.

Financial liabilities measured at transaction price comprise accounts payable and certain accruals.

Financial liabilities measured at fair value comprise the pension deficit accrual.

CITIZENS UK CHARITY AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2020

23 ANALYSIS OF CHANGES IN NET DEBT

	Balance at 1 April 2019 £	Cash flows £	Other non- cash changes £	Balance at 31 March 2020 £
The Group				
Bank and cash balances	259,098	655,656	-	914,754
Loan balance	-	(100,000)	-	(100,000)
	£ 259,098	£ 555,656	£ -	£ 814,754
The Charity				
Bank and cash balances	224,381	549,493	-	773,874
Loan balance	-	(100,000)	-	(100,000)
	£ 224,381	£ 449,493	£ -	£ 673,874