

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 2019

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 fifteen 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)
Dr Steve Mowle (SLC*)	(Vice Chair)
Nicholas Thomas	(Treasurer)
	(Resigned 28 September 2018)
Saba Abid Shafi	(Treasurer*)
	(Appointed 19 July 2019)
Meriel Barclay	
David Edward Canham	
Ranjit Sondhi OBE	(CUK Birmingham*)
Rt Hon John Dominic Battle	(Leeds Citizens*)
Noleen Cohen	(North London Citizens*)
Rev Canon Sheila Bamber	(Tyne & Wear Citizens*)
Rev Canon Karen Rooms	(Leicester Citizens*)
	(Appointed 27 February 2019)
James Pickering	(South London Citizens*)
	(Appointed 27 February 2019)
Lindsay Jane Driscoll	(Appointed 26 September 2019)
The Rt Revd Adrian Newman	(Resigned 23 July 2018)
Revd Paul Regan	(Resigned 27 February 2019)
The Rt Revd Jonathan Clark	(Resigned 27 February 2019)
Farooq Murad	(Resigned 27 February 2019)
Rosamund McCarthy	(Resigned 16 September 2019)
Nabeel Al-Azami	(Deceased 16 August 2019)

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

Company Secretary	Matthew Bolton
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Key Management Personnel

The following served for part or all of the year ended 31 March 2019:

- | | |
|---------------------|---|
| • Neil Jameson OBE | Executive Director (Resigned 31 August 2018) |
| • Matthew Bolton | Executive Director (Appointed 1 September 2018) |
| | Deputy Director (Resigned 31 August 2018) |
| • 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

The Cooperative Bank Plc
PO Box 101
1 Balloon Street
Manchester
M60 4EP

Solicitors

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

CITIZENS UK CHARITY AND SUBSIDIARY

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 2019.

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 March 2015) 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.

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

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REPORT OF THE EXECUTIVE DIRECTOR AND TRUSTEE BOARD

Overview of our financial year:

2018 and 2019 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.

From September 2018, the organisation entered a new phase, under a new Executive Director Matthew Bolton, and has begun a process of renewing its strategic goals as well as strengthening many different aspects of our organising, governance, and financial resilience.

This year we welcomed 4 new community alliances and 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.

But organising isn't just about numbers, it is about returning power to the people.

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 500 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.

Financial Performance

CUK's total (consolidated) income for the year ended 31 March 2019 was £5.75m with expenditure totalling £6.25m, resulting in a deficit for the year of £493K. This deficit was funded by £261K of unrestricted and £231K of restricted funds which were brought forward from the previous year and represents the positive application of prior years' surpluses on CUK's charitable activities during the year. It should also be noted that CUK's result is affected by the timing effect of deferred income, which increased from £245K to £298K during the year. After the demerger of the Safe Passage activities, all remaining funds of £316K were transferred to the new Safe Passage charity, Safe Passage International. This included £258K of restricted funds brought forward at 1 April 2018. Our overall year-end reserves of both restricted and unrestricted funds were £559K of which £428K were General Funds available for use without restriction. These General Funds increased from £374K at the beginning of the year. The Statement of Financial Activities does include income and expenditure relating to Safe Passage which, as reported, demerged from CUK in February 2019.

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REPORT OF THE EXECUTIVE DIRECTOR AND TRUSTEE BOARD

Trustees' Indemnity Insurance

The charity took out an indemnity insurance to cover its Trustees for 2018/19. The premium for the year was £1,807.

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 are growing faster than ever before in our 30+ year organisational history.



Mother Joyce, a South London Citizens church leader, and her grandson

Citizens alliances are developing in Colchester, Somerset, Sunderland, Kirklees, South Birmingham, Leicester, Brighton and Hove, 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. While these different localities are incredibly diverse in some respects – from the UK's largest housing developments in Barking and Dagenham to Somerset's poorly connected rural communities and the communities in Sunderland hard hit by austerity – the leaders we are working with all share the same courageous commitment and drive to build a powerful organisation that can tackle issues head-on and that develops its most valuable resource, its people.

Thanks to the hard work of Sponsoring Committees, Leadership Teams, Development Organisers and newly hired Organisers in all of these areas, we are seeing real progress and a number of alliances have already founded, such as Colchester Citizens and Citizens Somerset, with others set to do so over the next few months.

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

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Participation in established chapters

This year 22 Citizens Assemblies took place in London as part of the Local Elections and in Nottingham, Birmingham, Leicester, Cardiff and Tyne and Wear. Over 6,000 citizens participated in these critically important features of our work, engaging people in positive democratic activity. These public actions for the common good help establish accountable relationships with elected politicians.

“over 120 Nottingham Citizens members were on-stage during the night, and almost 40 with speaking roles, the vast majority of these speaking at an assembly for the very first time...”

In June 2018 we gathered Leadership Groups, Council, Trustees and Staff together for the first time to build relationships and solidarity across the network and also form our national social justice agenda in the case of a snap election.

Training and civil society capacity building

The fundamental aim of Citizens UK 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 2018 and March 2019, 44 leaders from a diverse range of institutions attended our 6-day national training programme, accredited by Newman University, with many more leaders attending 2-day training organised locally across the network.

Health



We took on mental health campaigns in a number of chapters in 2018 and our PACT project continued to support hundreds of parents and children in 4 locations across England.

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Parents and Children Together (PACT): Our work supporting parents expanded in 2018 thanks to a grant from NESTA to replicate some of what we do in Southwark into new areas namely, Leeds, Newcastle and Lewisham. These new locations were selected based on levels of deprivation and the strength of the local CUK chapters. This funding comes to an end in August 2019 and has helped us learn what works and what doesn't when setting up in new areas both in London and further afield.

We secured three-year funding to continue delivering PACT from the Big Lottery with support from Southwark Joint Commissioning Team. This work continues to offer a transformational experience for young mums, dads and their babies, helping them integrate with the wider community, build networks of parents to support each other and learn how to most effectively access the services and information they need.



Mums at our PACT Southwark project

Living Well: Tyne and Wear Citizens ran a brilliant Mental Health Commission called "Living Well" in 2018. They listened to 300 testimonies and called for concrete changes to local services such as mental health training for all staff having patient contact and the re-design of a Child and Adolescent Mental Health Services clinic in partnership with a local school. At a brilliant public assembly, they secured commitments from the local MP, universities and mental health trust to make these changes a reality.

Tackling poverty

Living Wage: The Living Wage Foundation made real progress in 2018/2019 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.

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Over the last year the Living Wage Foundation has focused on:

- Engaging and retaining existing Living Wage employers as active participants in the Living Wage movement, for example through the Champion Awards, which have now been running for 3 years.
- Increased impact on low paid workers through sectors and regional growth strategies, including developing Living Wage Places schemes and focuses on anchor institutions and strengthened popular and political support through more proactive interventions over the year.
- Deepening our ability to tackle in-work poverty in the UK and abroad by developing new measures to tackle the impact of insecurity on in-work poverty (Living Hours) and by developing the global Living Wage.
- Ensuring sustainability by increasing team capacity, growing accreditation income and achieving a 95% retention rate of accredited employers.

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.

Our key achievements over the last year include:

- achieving over 5,500 accredited employers, reaching our 2020 target a year early;
- 37% FTSE 100 companies are accredited employers;
- putting over £1 billion back into the pockets of low paid workers and the movement has now given over 200,000 people a pay rise.

Living Hours and Fair Work: Over the last year we have been listening to our institutions in different areas across the country on what issues members face in the workplace. Through this process we found that many of our members are suffering from the uncertainty of having zero-hour contracts, being bullied in their workplace, having extra pressure at work due to staff being cut and not being paid for holidays. 600 one to one conversations were held and the findings published in our Fair Work report. Chapters including Milton Keynes, Nottingham and London are now progressing this work locally through relationships with employers and local authorities.

In May 2018 the Living Wage Foundation launched a major new initiative, Living Hours. Drawing from these hundreds of conversations in the community, the expertise of a group of employers and trade unions a new voluntary standard has been launched with a group of businesses to find solutions to the issue of precarious work and insecure hours.

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Just Change: Listening workshops in secondary schools in the North East helped young people to identify the issues that concerned them.

Free School Meal provision and the loss of 'change' from the daily allowance to children was prioritised by the young people and they were developed over the course of several months to launch an awareness campaign about the issue, including the production of information videos about the positive impact change would make for them. Participants experienced high profile media attention, meetings with stakeholders, and success in persuading a number of schools to pilot an adjustment to their school meals provision.



Community Safety

Knife Crime: Our Waltham Forest, Newham and Islington Community Commission listened 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.

"We listened to stories of how our communities are affected by youth violence and to find solutions to become recommendations. We worked closely with Newham Police, who agreed to handout paper tickets after each Stop and Search and invite young people onto stop and Search monitoring boards."

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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.



Hate Crime: Our work strengthening community solidarity, advocacy and action to combat racism, misogyny and other forms of hate took a number of different forms in 2018, from a series of localised actions ranging from police engagement on hate crime reporting, public transport provider negotiation to awareness raising actions aimed to fostering greater public understanding of the impact on victims and minority communities. Our work culminated in a high-profile campaign which led to a Law Commission review into the legal framework and hate crime protections, with which we are engaging at a local and national level in 2019 and 2020.

Education

Parent Power: Developed by Kings College London's Widening Participation department and CUK, Parent Power recruits and trains parents from King's local boroughs to become experts in university access and campaigners on educational equality.

The project won the Guardian's University Awards for "inspirational and ground-breaking projects from UK universities" in early 2019. King's Widening Participation team and CUK first ran the programme with the parents of 50 high performing and underrepresented pupils living in King's local boroughs of Lambeth and Southwark. It brought them together to gain knowledge about the education and university system and improve their skills and relationships to break down the barriers their children are facing.

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Housing: We are teaching community organising method to build relationships with decision makers and to contribute to securing thousands of extra affordable homes being built and support residents to achieve improved housing conditions.

Key milestones in the work so far have included:

- a series of 18 London assemblies involving 4,300 people and 226 member organisations in the run-up to the May 2018 London local elections at which leaders announced new commitments on affordable housing and licensing of the private rented sector;
- an assembly with London Mayor Sadiq Khan, attended by 1,500 Londoners of all ages, in November 2018, which celebrated the Mayor's delivery of manifesto housing commitments, and at which the Mayor announced a new commitment to affordable housing on two Olympic park sites;
- tours of the Olympic Park and Old Oak Common and Park Royal developments with key decision-makers and local communities.

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Campaigning for permanently affordable homes

11 Borough alliances, like Lewisham Citizens, are working with their Local Authorities to build more Community Land Trust homes, helping key workers and their families



We have held local workshops about landlords licensing in 8 London boroughs about 100 people have been involved in these. We have also held roundtable discussions for Citizens' members with Rhona Brown from Greater London Authority (GLA). 10 people attended a roundtable at the GLA offices from across 6 boroughs and 45 people attended a housing learning day.

Community Sponsorship of Refugees



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In 2018, 130 refugees were resettled via the innovative Community Sponsorship scheme, bringing to 219 refugees the number welcomed since the scheme began in 2016. More than 150 groups, from every part of the UK, were on the journey to welcome refugees through Community Sponsorship by March 2019.

Sponsor Refugees pioneered Community Sponsorship in the UK, working closely with the Home Office and other partners to design and embed the scheme. Sponsor Refugees worked directly with 89 groups, with particular success in Wales, London and the South West. It played a key role in nurturing the first groups in Scotland and Northern Ireland. A highlight of the year was the first Community Sponsorship Awards event, held at the Royal Society of Arts in October 2018, and attended by more than 250 guests.



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.

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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 of £428k 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.

Plans for Future Periods

Our strategic aims for the period 2018-2023 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.

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.

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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 £428k); 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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REPORT OF THE EXECUTIVE DIRECTOR AND TRUSTEE BOARD

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 pro rata the sum of up to £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 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 training.

A new Company Secretary role was created in January 2018 and there are plans to develop an induction programme 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. At present 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 three sub-committees: Personnel and Finance, Risk and Audit and Mission, Membership and Governance, all three of which meet quarterly in advance of Trustee meetings. Comprised of four or 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

Through 2018, a working group of staff and members designed an improved model for Chapters to co-operate across the network on common priorities. The new CUK Leadership Team comprises of several delegates from each Chapter, meeting 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.

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Statement of Trustees' responsibilities

The Trustees, who are also Directors of Citizens UK 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.

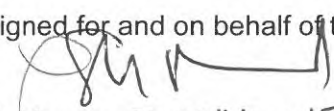
The Trustees confirm that so far as they are aware, there is no relevant audit information of which the charitable company's auditors are unaware. They have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish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

Signed for and on behalf of the Trustees


Dr Kaneez Shaid *MOWLE (STEVE)* VICE CHAIR,
Chair of the Board of Trustees

Approved by the Trustees on

X 12-12-19,

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

We have audited the group and parent company financial statements of Citizens UK Charity for the year ended 31 March 2019 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 2019 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 annual report 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 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 where the Companies Act 2006 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.

Respective responsibilities of trustees and auditor

As explained more fully in the trustees' responsibilities statement set out on page 19, 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.

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

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: 16/12/15

CITIZENS UK CHARITY AND SUBSIDIARY

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING THE GROUP INCOME AND EXPENDITURE ACCOUNT) YEAR ENDED 31 MARCH 2019

	Notes	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Income from:					
Donations and legacies	4	868,791	2,569,454	3,438,245	3,419,207
Donations and grants in kind		30,483	-	30,483	53,154
Charitable activities:					
Membership dues		883,274	-	883,274	743,089
Training services		70,684	-	70,684	46,498
Other trading activities:					
Projects and other income		1,330,123	-	1,330,123	1,327,084
Total income		3,183,355	2,569,454	5,752,809	5,589,032
Expenditure on:	5				
Raising funds:					
Fundraising costs for grants and donations		316,775	-	316,775	208,818
Charitable activities:					
Capacity building for community organising		3,128,380	2,801,234	5,929,614	5,298,487
Total expenditure		3,445,155	2,801,234	6,246,389	5,507,305
Net (expenditure)/income for the year	6, 7	(261,800)	(231,780)	(493,580)	81,727
Balances brought forward at 1 April 2018		690,755	362,599	1,053,354	971,627
Balances carried forward 31 March 2019	18	£ 428,955	£ 130,819	£ 559,774	£ 1,053,354

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 27 to 46 form part of these financial statements.

CITIZENS UK CHARITY AND SUBSIDIARY

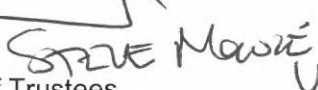
GROUP AND COMPANY BALANCE SHEETS AS AT 31 MARCH 2019

	Notes	The Group		The Company	
		2019 £	2018 £	2019 £	2018 £
Fixed assets					
Tangible assets	11	6,615	10,139	3,490	10,139
Investments	12	-	-	100	100
		<u>6,615</u>	<u>10,139</u>	<u>3,590</u>	<u>10,239</u>
Current assets					
Debtors	13	1,505,536	1,056,399	1,261,066	1,066,265
Cash and cash equivalents		259,098	661,851	224,381	565,376
		<u>1,764,634</u>	<u>1,718,250</u>	<u>1,485,447</u>	<u>1,631,641</u>
Creditors: amounts falling due within one year	14	1,138,369	589,438	856,157	502,929
Net current assets		<u>626,265</u>	<u>1,128,812</u>	<u>629,290</u>	<u>1,128,712</u>
Total assets less current liabilities		<u>632,880</u>	<u>1,138,951</u>	<u>632,880</u>	<u>1,138,951</u>
Creditors: amounts falling due after one year	15	73,106	85,597	73,106	85,597
Net assets		<u>£ 559,774</u>	<u>£ 1,053,354</u>	<u>£ 559,774</u>	<u>£ 1,053,354</u>
Charity Funds	18				
Unrestricted funds					
Designated funds		-	316,578	-	316,578
General funds		428,955	374,177	428,955	374,177
		<u>428,955</u>	<u>690,755</u>	<u>428,955</u>	<u>690,755</u>
Restricted funds		130,819	362,599	130,819	362,599
	17	<u>£ 559,774</u>	<u>£ 1,053,354</u>	<u>£ 559,774</u>	<u>£ 1,053,354</u>

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


Dr Kaneez Shaid
Chair of the Board of Trustees


VICE CHAIR

Company registration number: 05268071
Charity registration number: 1107264

The notes on pages 27 to 46 form part of these financial statements.

CITIZENS UK CHARITY AND SUBSIDIARY

STATEMENTS OF CHANGES IN EQUITY YEAR ENDED 31 MARCH 2019

	Unrestricted Funds £	Restricted Funds £	Total £
Group			
At 1 April 2017	308,641	662,986	971,627
Net income/(expenditure) for the year	382,114	(300,387)	81,727
At 31 March 2018	690,755	362,599	1,053,354
Net expenditure for the year	(261,800)	(231,780)	(493,580)
At 31 March 2019	<u>£ 428,955</u>	<u>£ 130,819</u>	<u>£ 559,774</u>

	Unrestricted Funds £	Restricted Funds £	Total £
Charity			
At 1 April 2017	308,641	662,986	971,627
Net income/(expenditure) for the year	382,114	(300,387)	81,727
At 31 March 2018	690,755	362,599	1,053,354
Net expenditure for the year	(261,800)	(231,780)	(493,580)
At 31 March 2019	<u>£ 428,955</u>	<u>£ 130,819</u>	<u>£ 559,774</u>

The notes on pages 27 to 46 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 2019

	The Group		The Company	
	2019 £	2018 £	2019 £	2018 £
Cash flows from operating activities				
Net movement in funds	(493,580)	81,727	(493,580)	81,727
Depreciation of tangible assets	6,649	5,868	6,649	5,868
Interest costs (FRS 102 pension)	11,297	15,340	11,297	15,340
Increase in debtors	(449,137)	(218,556)	(194,801)	(238,055)
Increase in creditors	536,440	56,689	340,737	41,241
Net cash used in operating activities	(388,331)	(58,932)	(329,698)	(93,879)
Cash flows from investing activities				
Purchase of tangible fixed assets	(3,125)	(2,413)	-	(2,413)
Net cash used in investing activities	(3,125)	(2,413)	-	(2,413)
Cash flows from financing activities				
Interest costs (FRS 102 pension)	(11,297)	(15,340)	(11,297)	(15,340)
Net cash used in financing activities	(11,297)	(15,340)	(11,297)	(15,340)
Decrease in cash and cash equivalents in the year	(402,753)	(76,685)	(340,995)	(111,632)
Cash and cash equivalents brought forward	661,851	738,536	565,376	677,008
Cash and cash equivalents carried forward	£ 259,098	£ 661,851	£ 224,381	£ 565,376

The notes on pages 27 to 46 form part of these financial statements.

CITIZENS UK CHARITY AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2019

1 GENERAL INFORMATION

Citizens UK 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 2019. 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

As at March 2019 the group had net assets of £559,774. Having considered the group's forecasts and projections, the Trustees are satisfied that the group has adequate resources to continue in operational existence for the foreseeable future, and for a period of at least 12 months from the date of approving these financial statements. For this reason, the Trustees continue to adopt the going concern basis in preparing the accounts.

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.

Fund accounting

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

CITIZENS UK CHARITY AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2019

2 ACCOUNTING POLICIES - (continued)

Fund accounting – (continued)

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 2019

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.

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 2019

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 2019**

4 INCOME FROM DONATIONS AND LEGACIES

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Analysis by activity:				
Advisory and support services	<u>£ 868,791</u>	<u>£ 2,569,454</u>	<u>£ 3,438,245</u>	<u>£ 3,419,207</u>
This can be further analysed as:				
38 Degrees	-	71,744	71,744	-
Action in Caerau and Ely	-	3,000	3,000	-
Aston University	-	11,500	11,500	-
Aviva Plc	-	25,000	25,000	-
Barrow Cadbury Trust	-	20,000	20,000	42,500
BBC Children in Need	-	-	-	15,992
Best for Britain UK/EU Open Policy	-	-	-	15,000
Big Lottery Fund	-	442,985	442,985	363,974
Blackham LG and MJ – Safe Passage	-	32,034	32,034	25,000
British Red Cross	-	20,800	20,800	-
Buckinghamshire Health	-	-	-	9,000
Bulb Energy	-	25,000	25,000	-
Caritas Westminster	-	-	-	10,000
City Safe	-	20,000	20,000	-
Comic Relief	-	80,000	80,000	149,564
CoSS University of Birmingham	-	-	-	38,203
Coutts Foundation	-	-	-	50,000
East London Citizens CLT	-	50,000	50,000	8,750
European Programme for Integration and Migration	-	29,229	29,229	-
Friends of the Earth	-	-	-	25,334
Gibbs Charitable Trust	-	2,000	2,000	-
Groundwork UK	-	27,000	27,000	-
Guardian Charity Appeal	-	-	-	89,557
Guys and St Thomas' Charity	-	72,762	72,762	248,242
HE Evan Cornish	-	-	-	5,000
Human Appeal	-	-	-	20,000
Imperial College Healthcare NHS Trust	-	-	-	25,000
International Observatory of Human Rights	-	10,000	10,000	-
Joseph Rowntree Foundation	-	96,413	96,413	57,041
J P Morgan Chase Bank NA London Branch	-	-	-	25,504
Kings College London	-	-	-	27,280
London South Bank University	-	8,351	8,351	12,153
Membership	-	-	-	19,700
Mercy Mission UK	-	-	-	70,000
M K Community Foundation	-	8,100	8,100	-
Carried forward	-	1,055,918	1,055,918	1,352,794

CITIZENS UK CHARITY AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2019

4 INCOME FROM DONATIONS AND LEGACIES – (continued)

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Brought forward	-	1,055,918	1,055,918	1,352,794
NASUWT	-	5,244	5,244	-
Nesta	-	55,000	55,000	20,000
Nestle	-	-	-	35,000
Oak Foundation	-	165,292	165,292	166,662
Octopus Energy	-	25,000	25,000	-
PA to the Bishop of Barking	-	18,000	18,000	19,500
Paul Hamlyn Foundation	-	97,300	97,300	87,000
Peoples Health Trust - PHT	-	52,471	52,471	50,200
Porticus UK	-	7,968	7,968	-
Reset Communities and Refugees Ltd	-	25,300	25,300	-
Scherer	-	-	-	20,000
SEF Cymru	-	12,500	12,500	-
SG Hambros	-	-	-	14,583
Sigrid Rausing Trust	-	70,000	70,000	29,167
South Bank Employer's Group	-	-	-	24,000
South Eastern Railway	-	-	-	20,000
SPUK	-	279,486	279,486	-
Strategic Legal Fund	-	-	-	1,158
The AB Charitable Trust	-	-	-	20,000
The Aziz Foundation	-	15,000	15,000	10,000
The Centre for Theology and Community	-	-	-	16,200
The Diocese of Southwell and Nottingham	-	-	-	37,500
The Forum	-	4,666	4,666	-
The Health Foundation	-	27,000	27,000	-
The Rank Foundation	-	27,600	27,600	34,600
The Tudor Trust	-	3,000	3,000	113,000
Trust for London	-	178,987	178,987	99,134
Turcan Connell CLI – Community Sponsors	-	-	-	50,000
Unbound Philanthropy	-	100,000	100,000	100,000
UNHCR	-	115,722	115,722	-
Unilever	-	-	-	44,522
Unison North West of England	-	-	-	10,000
United Nation	-	-	-	173,163
Volant Charitable Trust	-	228,000	228,000	70,000
Other donations	868,791	-	868,791	801,024
Total grants and donations	£ 868,791	£ 2,569,454	£ 3,438,245	£ 3,419,207

Restricted funds received above total £2,569,454 (2018: £2,618,183).

CITIZENS UK CHARITY AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2019

5 EXPENDITURE

	Fund- raising 2019 £	Community organising 2019 £	Governance 2019 £	Total 2019 £	Total 2018 £
Costs directly allocated to activities					
Grants paid	-	64,984	-	64,984	115,574
Staff costs	316,775	3,189,043	35,667	3,541,485	3,060,567
Project costs	-	1,057,255	-	1,057,255	1,111,370
Transfer of activities	-	305,889	-	305,889	-
Support costs allocated to activities					
Staff training, recruitment and DBS checks	-	107,928	-	107,928	75,770
Premises costs	-	257,814	-	257,814	252,951
Postage, printing and stationery	-	65,663	-	65,663	104,551
Travelling, subsistence and hospitality	-	310,960	-	310,960	430,305
Equipment leasing	-	47,057	-	47,057	38,027
IT and communication costs	-	106,250	-	106,250	149,443
Auditor's fees	-	-	18,000	18,000	13,146
Legal, professional and accountancy fees	-	-	105,898	105,898	68,132
Depreciation	-	6,649	-	6,649	5,868
Doubtful debts	-	126,840	-	126,840	40,454
Other expenses	-	112,420	-	112,420	25,807
Pension deficit costs	-	11,297	-	11,297	15,340
Total expenditure	£ 316,775	£ 5,770,049	£ 159,565	£ 6,246,389	£ 5,507,305

Restricted expenditure above totals £2,801,234 (2018 : £2,918,570).

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

	2019 £	2018 £
This is stated after charging:		
Depreciation of tangible fixed assets	6,649	5,868
Operating lease rentals - land and buildings	88,300	41,167
Operating lease rentals - other	20,768	23,265
Auditor's remuneration - audit	7,450	7,450
Auditor's remuneration - other services	10,550	5,696

CITIZENS UK CHARITY AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2019

7 NET INCOME OF THE PARENT UNDERTAKING

	2019	2018
Net (expenditure)/income for the year of Citizens UK Charity	<u>£ (493,580)</u>	<u>£ 81,727</u>

8 STAFF COSTS AND NUMBERS

	2019 £	2018 £
Staff costs (including those recharged) were as follows:		
Salaries	2,964,193	2,578,090
Social security costs	298,632	255,881
Pension costs	278,660	226,596
Net cost	<u>£ 3,541,485</u>	<u>£ 3,060,567</u>

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

	2019 Number	2018 Number
In the band £60,000 - £70,000	3	2
	<u>3</u>	<u>2</u>

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 £289,447 (2018 : £355,177).

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

	2019 Number	2018 Number
Executive Director and Lead Organiser	1	1
Community Organisers	56	53
Directors	2	2
Managers	5	4
Administrators	9	12
Cleaner	1	1
	<u>74</u>	<u>73</u>

CITIZENS UK CHARITY AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2019

9 TRUSTEE REMUNERATION AND EXPENSES

No Trustee received any remuneration during the year. Travel expenses of £1,498 (2018 : £1,168) were reimbursed to four (2018 : 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 2018	4,078	19,397	23,475
Depreciation			
At 1 April 2018	2,038	11,298	13,336
Charge for the year	1,019	5,630	6,649
At 31 March 2019	3,057	16,928	19,985
Net book value			
At 31 March 2019	£ 1,021	£ 2,469	£ 3,490
At 31 March 2018	£ 2,040	£ 8,099	£ 10,139

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 2019

11 TANGIBLE FIXED ASSETS – (continued)

	Leasehold improvements £	Office and IT equipment £	Total £
The group			
Cost			
At 1 April 2018	4,078	19,397	23,475
Additions	-	3,125	3,125
At 31 March 2019	4,078	22,522	26,600
Depreciation			
At 1 April 2018	2,038	11,298	13,336
Charge for the year	1,019	5,630	6,649
At 31 March 2019	3,057	16,928	19,985
Net book value			
At 31 March 2019	£ 1,021	£ 5,594	£ 6,615
At 31 March 2018	£ 2,040	£ 8,099	£ 10,139

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 2019

12 FIXED ASSET INVESTMENTS

	2019 £	2018 £
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

	2019 £	2018 £
The company		
Accounts receivable	766,721	601,712
Accrued grants receivable	131,330	5,000
Other debtors	17,681	495
Amounts owed by group undertakings	295,736	434,084
Prepayments	49,598	24,974
	<u>£ 1,261,066</u>	<u>£ 1,066,265</u>

The group

Accounts receivable	1,305,574	1,013,930
Accrued grants receivable	131,330	5,000
Other debtors	17,681	495
Prepayments	50,951	36,974
	<u>£ 1,505,536</u>	<u>£ 1,056,399</u>

CITIZENS UK CHARITY AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2019

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
The company		
Accounts payable	199,138	142,092
Social security and other taxation	66,392	66,508
Other creditors	119,659	31,680
Accruals	159,739	7,000
Deferred income	298,738	245,963
Pension deficit accrual	12,491	9,686
	<u>£ 856,157</u>	<u>£ 502,929</u>
The group		
Accounts payable	380,700	185,576
Social security and other taxation	126,423	109,533
Other creditors	160,278	31,680
Accruals	159,739	7,000
Deferred income	298,738	245,963
Pension deficit accrual	12,491	9,686
	<u>£ 1,138,369</u>	<u>£ 589,438</u>

15 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2019 £	2018 £
The company		
Pension deficit accrual	<u>£ 73,106</u>	<u>£ 85,597</u>
The group		
Pension deficit accrual	<u>£ 73,106</u>	<u>£ 85,597</u>

CITIZENS UK CHARITY AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2019

16 GRANTS RECEIVED IN ADVANCE (DEFERRED INCOME)

	2019 £	2018 £
The group and the company		
Deferred at 1 April 2018	245,963	345,840
Released to Statement of Financial Activities	(245,963)	(345,840)
Received and deferred in the year	298,738	245,963
	<u>£ 298,738</u>	<u>£ 245,963</u>
Deferred at 31 March 2019	<u>£ 298,738</u>	<u>£ 245,963</u>

17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	Total funds £
The company			
Tangible fixed assets	3,490	-	3,490
Fixed asset investments	100	-	100
Net current assets	498,471	130,819	629,290
Long term liabilities	(73,106)	-	(73,106)
	<u>£ 428,955</u>	<u>£ 130,819</u>	<u>£ 559,774</u>
The group			
Tangible fixed assets	6,615	-	6,615
Net current assets	495,446	130,819	626,265
Long term liabilities	(73,106)	-	(73,106)
	<u>£ 428,955</u>	<u>£ 130,819</u>	<u>£ 559,774</u>

CITIZENS UK CHARITY AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2019

18 MOVEMENT IN FUNDS

	At 1 April 2018 £	Incoming resources £	Outgoing resources £	Transfers £	At 31 March 2019 £
The group					
Unrestricted funds:					
Designated funds	316,578	-	(316,578)	-	-
General funds	374,177	3,183,355	(3,128,577)	-	428,955
Total unrestricted funds	<u>£ 690,755</u>	<u>£ 3,183,355</u>	<u>£ (3,445,155)</u>	<u>£ -</u>	<u>£ 428,955</u>
Restricted funds:					
Central activities	-	310,118	(310,118)	-	-
Birmingham Citizens	-	54,083	(54,083)	-	-
Citizens Cymru Wales	-	133,794	(132,391)	-	1,403
Colchester	14,214	18,000	(32,214)	-	-
Greater Manchester Citizens	-	3,250	(3,250)	-	-
Leeds Citizens	-	14,333	(14,333)	-	-
Living Wage Foundation	-	133,213	(133,213)	-	-
Mann Valley	-	-	-	-	-
Milton Keynes	31,067	22,235	(50,667)	-	2,635
NCOT	-	83,500	(54,891)	-	28,609
North London Citizens	2,081	134,921	(137,002)	-	-
Nottingham Citizens	-	-	-	-	-
PACT	-	308,780	(280,891)	-	27,889
Refugee Welcome	34,522	290,300	(254,539)	-	70,283
South London Citizens	-	151,392	(151,392)	-	-
SPUK	258,467	648,027	(906,494)	-	-
Taunton	3,705	13,000	(16,705)	-	-
TELCO	-	188,082	(188,082)	-	-
Tyne Citizens	18,543	45,583	(64,126)	-	-
West London Citizens	-	16,843	(16,843)	-	-
Total restricted funds	<u>£ 362,599</u>	<u>£ 2,569,454</u>	<u>£ (2,801,234)</u>	<u>£ -</u>	<u>£ 130,819</u>
Total funds	<u>£ 1,053,354</u>	<u>£ 5,752,809</u>	<u>£ (6,246,389)</u>	<u>£ -</u>	<u>£ 559,774</u>

CITIZENS UK CHARITY AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2019

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.
- SPUK is focused on helping refugee children travel safely and legally and is funded by organisations including Comic Relief, Sigrid Rausing Trust, Children in Need, Joseph Rowntree Charitable Trust, the Families Together Programme, Trust for London, EPIM and UNHCR. The fund separated to become its own separate charity during the year - Safe Passage International, therefore there are no amounts carried forward in respect of this fund. Within the Safe Passage fund there is £130,489 of income that has restrictions and would be correct to be classified as deferred income during the year. However, in order to show a £nil closing balance and a clear separation from the new Safe Passage entity this full amount has been recognised within the fund's income for the year. In addition to the SPUK restricted fund there is unrestricted income of £515,867 and equal expenditure within the general funds balance that have been allocated to Safe Passage. As the activities now pass through their own limited company there is a £nil carried forward balance and an accrual of £122,739 within creditors. In addition to these notes there is further information regarding Safe Passage on note 23.

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 2019

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 £85,597 has been recognised at 31 March 2019 (2018 : £95,283) 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 £22,838 (2018: £23,602).

CITIZENS UK CHARITY AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2019

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.

A further £3,375 has subsequently been credited to expenditure in the year to 31 March 2019. This relates to a valuation update during the year and the continual unwinding of the accrual.

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 life of the repayment plan will be to reduce the total liability by £25,268.

20 LEASING COMMITMENTS (THE GROUP AND THE COMPANY)

At 31 March 2019 the group and the company had total commitments under non-cancellable operating leases as set out below:

	Land and buildings 2019 £	Other 2019 £	Land and buildings 2018 £	Other 2018 £
Operating leases which expire:				
Not later than one year	88,300	15,956	88,300	17,990
Later than one year and not later than five years	77,133	14,972	157,933	14,082
Later than five years	16,250	-	23,750	-
	<u>£ 181,683</u>	<u>£ 30,928</u>	<u>£ 269,983</u>	<u>£ 32,072</u>

CITIZENS UK CHARITY AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2019

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 Citizens UK and contribute to the strategic development of Citizens' organisations around the UK and overseas.

During 2018/19 financial year most income received by CfCS related to Living Wage Accreditation income from Living Wage Employers.

	2019 £	2018 £
Income	1,362,876	1,323,134
Expenditure	629,059	256,979
Result for the year	£ 733,817	£ 1,066,155
	2019 £	2018 £
Summary balance sheet:		
Fixed assets	3,125	-
Current assets	574,922	520,693
Current liabilities	(577,947)	(520,593)
Net assets	£ 100	£ 100
	2019 £	2018 £
Share capital	100	100
Reserves	-	-
	£ 100	£ 100

CITIZENS UK CHARITY AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2019

22 FINANCIAL INSTRUMENTS

	The Group		The Company	
	2019 £	2018 £	2019 £	2018 £
Financial assets				
Financial assets measured at the transaction price	<u>£ 1,436,904</u>	<u>£ 1,018,930</u>	<u>£ 1,193,187</u>	<u>£ 1,040,786</u>
Financial liabilities				
Financial liabilities measured at the transaction price	380,700	185,576	199,138	142,092
Financial liabilities measured at fair value	<u>85,597</u>	<u>95,283</u>	<u>85,597</u>	<u>95,283</u>
	<u>£ 466,297</u>	<u>£ 280,859</u>	<u>£ 284,735</u>	<u>£ 237,375</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 2019

23 Safe Passage International Limited

SPUK is a fund operating during the year within Citizen UK focused on helping refugee children travel safely and legally and is funded by organisations including Comic Relief, Sigrid Rausing Trust, Children in Need, Joseph Rowntree Charitable Trust, the Families Together Programme, Trust for London, EPIM and UNHCR.

The fund separated to become its own separate charity during the year - Safe Passage International. Safe Passage International Limited was incorporated at Companies House on 8 January 2018 and was registered with the Charity Commission on 20 August 2018. The demerging of the SPUK project officially completed 28 February 2019.

The results of the demerged project Safe Passage UK which have been transferred to the company Safe Passage International Ltd as per the audited balance sheet as at 28 February 2019 is set out below:

	£
Income	
Donations	437,671
Grants and Trusts	641,664
	<hr/>
Total income	1,079,335
Expenditure	(1,151,652)
	<hr/>
Net result for year	<u>£ (72,317)</u>
 Reserves	
At 1 April 2018	258,467
Net result for year	(72,317)
	<hr/>
Reserves at 28th February 2019	<u>£ 186,150</u>
 Funds received attributable to future years	<hr/>
	130,489
	<hr/>
Balance on demerger	<u>£ 316,639</u>
 Balances to and from Safe Passage International Ltd	
At 28 February 2019	316,639
March amounts due from SPI	(6,796)
March amounts due to SPI	6,646
	<hr/>
Balance attributable at 31 March 2019 (including £179,427 bank balance already transferred)	<u>£ 316,489</u>
