



THE CITIZENS FOUNDATION (UK)

CREATING JOYFUL LEARNING ANNUAL REPORT 2022



"During snack time, we sit together, laugh and share our meals."

Nazia
Class 3



"I have the most fun during Choice-Time because we can choose to play with any toy we like."

Abeeha Butt
Kindergarten - Partnership School



"I created this Volcano Science Project and tested chemical reactions using baking soda and vinegar!"

Samavia Shahid
Class 8



"During snack time, we sit together, laugh and share our meals."

Nazia
Class 3



"I enjoy Story Time because my teacher reads in a fun way!"

Malaika Waseem
Class 1

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Legal Status and Nature of Operations

The Citizens Foundation (UK) (TCF-UK) was registered on 6 August 2001 with the Charity Commission for England and Wales (Charity No. 1087864). It is constituted as a company: No. 4078989 (England and Wales) with an Independent Board of Directors (Trustees). TCF-UK's aim is to raise awareness and funds for The Citizens Foundation (TCF), Pakistan's leading education charity.

TCF-UK's registered office is at 48 Charlotte Street, London W1T 2NS.

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THE CITIZENS FOUNDATION

The story of The Citizens Foundation (TCF), a nonprofit, began in 1995 with a group of friends united on a single mission: to make quality education accessible to less privileged children in Pakistan. Since then, TCF has evolved into a nationwide network of schools educating 280,000 students across 1,833 school units.

TCF's education model rests upon innovative programme design, gender-balance in classrooms, and an all-female faculty. TCF is also developing programmes to benefit out-of-school children, supporting access to higher education for its alumni, working with the government to enable better educational outcomes in the public sector and developing the communities around its schools through a range of programmes.





Our **Vision** And **Mission**



Positive Change

To remove barriers of class and privilege, to make the citizens of Pakistan agents of positive change.

Quality Education

Through the power of quality education, enabling moral, spiritual and intellectual enlightenment.





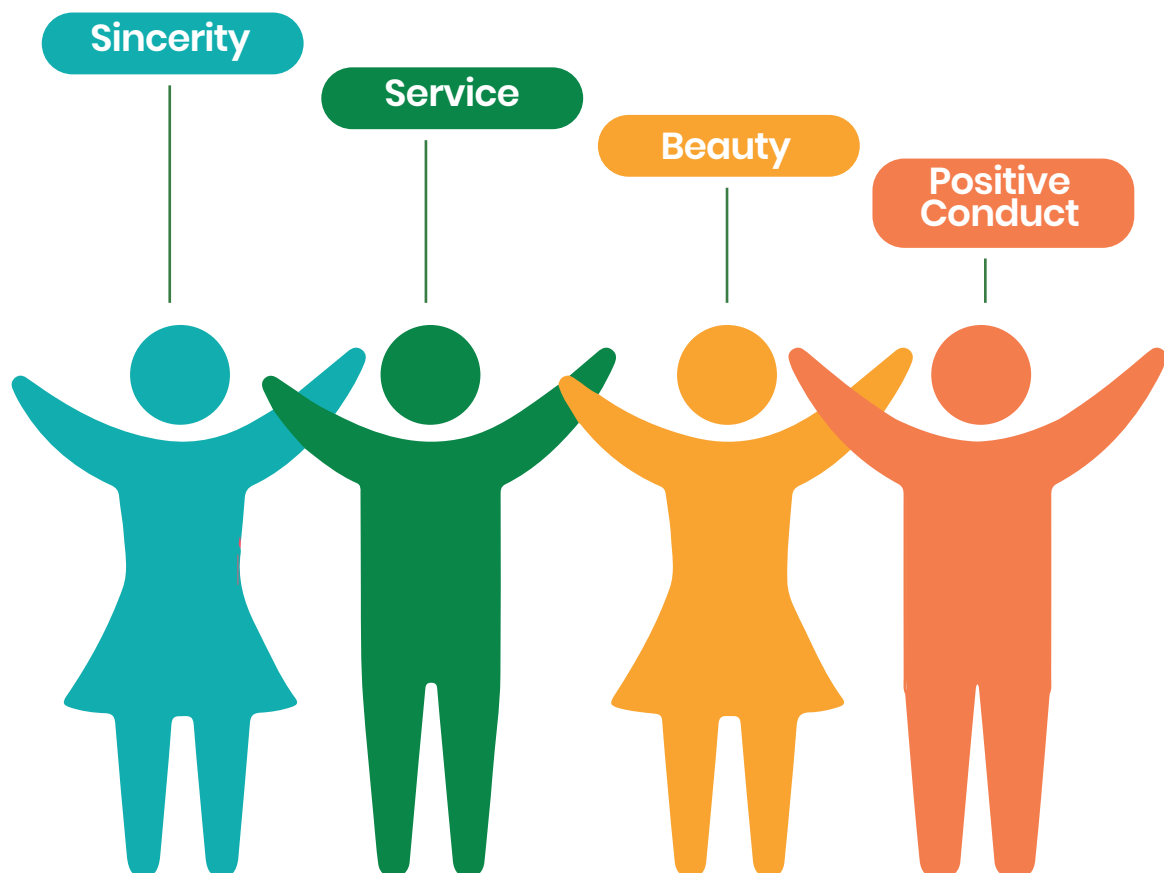
Better Future

Creating opportunities to improve quality of life.



Our Values

TCF has revised its core values which will serve as a guiding principle for TCF management and school network and strengthen the culture of the organisation as it continues to grow exponentially.



Scaling **Our Impact**

Education Programme

1,833 School Units

280,000 Deserving Students

13,000 All-female Faculty



National Footprint

Sindh **874**

Punjab **779**

Balochistan **87**

Khyber Pakhtunkhwa **72**

Azaad Kashmir **23**



Alumni **Development**

53,000

Matriculates
empowered through education

Community **Upliftment**

Aagahi Adult
Literacy Learners

160,000

Beneficiaries receiving clean
drinking water every day

38,000

Vocational Trainees

3,000

Volunteer Community

13,300

Volunteers have mentored students through
Rahbar Programme

9,700

Volunteers have engaged students through
Summer Camp Programme

700

Volunteers raised funds through
Baghbaan Ambassador Programme





From an urban slum to a leading medical school

Muhammad Ahmad's face lights up with pure joy as he sets up his pushcart on a dusty street of Khuda Ki Basti, an urban slum in Karachi. People from his neighbourhood are stopping by in droves, but it's not to buy his mangoes. They are there to congratulate him on his son's graduation from the prestigious Ghulam Ishaq Khan Institute of Engineering Sciences and Technology (GIKI).

“With my earnings, I could not have put Asad through a good school, college and university. It is TCF's support that made all this possible,” reflects Muhammad Ahmad. “I had to drop out of school at a young age to support my family. It was my dream to educate all my children.”

Asad, a TCF school and College alumnus, has already started his first job at a software company. “In our community, boys are expected to take up full-time jobs at a young age. But Baba (father) didn't conform to that and kept the house afloat on his own,” shares Asad. “I am glad I can now take that burden off his shoulders.”

Two of Asad's younger siblings, Saad and Sadia, are currently in their first year at TCF College, while his two other sisters, Haadiya and Tooba, are studying in Classes 9 and 7 at the TCF school in their community. All of them have big dreams of their own, fueled by the transformative power of education.



THE CITIZENS FOUNDATION

TCF has 22 school units in Machar Colony (Fishermen's Colony), one of the largest slums in Karachi.

TCF SCHOOL
HALIMA AMDANI CAMPUS



THE CITIZENS FOUNDATION

One of TCF's 280,000 promising students
from the Kamran Siddiqui Campus,
Landhi, Karachi





TCF Programme Highlights

Students learn how to program using the Scratch software during their Computer Science class at the TCF school, Baldia Town, Karachi

Digital Transformation at TCF Schools

At TCF, we are making digital advances across our schools to help our students build digital literacy skills, develop teachers' capacity within and outside of our network, and create digital platforms to make operating procedures more efficient. Through these initiatives, students can learn how to bring their ideas to life with code.

TCF school, Saya Foundation Campus, Baldia Town, Karachi



■ Digital Literacy

We have introduced a Digital Literacy Programme (DLP) for our secondary learners to help them build 21st century digital skills and competencies. We have developed a cutting-edge Computer Science curriculum that introduces our students to the fundamentals of computer systems and helps them develop algorithmic thinking and programming skills. We have also replaced computers with high-performing tablets at our secondary schools across Pakistan. TCF students are now using modern digital tools such as Scratch, to learn software-based programming as early as Grade 6.

The objective of the Digital Literacy Programme is to enable our students to develop tinkering skills – so they have the confidence to learn new technology on their own – and develop logical thinking and programming skills. Alongside this, we are fostering digital citizenship by teaching our students how to interact safely and responsibly in the digital space.

■ Blended Learning

Integrating Technology in the Early Years

We are engaging with EdTech partners to develop high quality content to increase student engagement and improve learning outcomes. Teachers are integrating digital educational materials with in-class learning to demonstrate concepts covered in textbooks. AV (audio-visual) rooms across TCF schools are being equipped with appropriate hardware devices to enable blended learning.

Digital Advances for School Management

We are implementing digital upgrades in our School Management System to increase efficiency and manage our network better. As part of this initiative, we are replacing outdated tablets and phones for teachers and principals to use to access and run the School Management Application. This upgrade will significantly improve transparency, efficiency, and monitoring across all TCF schools.

Dastak

Digital Advances for Teacher Training

To expand our impact and reach and share our expertise in teacher training with a broader audience, TCF has developed a unique, low-cost, online teacher training programme called *Dastak*. The programme draws upon TCF's 28 years of teacher training experience and is designed exclusively for female teachers employed by low-fee private schools. It aims to enhance their teaching skills, content knowledge, pedagogy, self-leadership and classroom management. To date, more than 330 teachers from low-cost private schools have been empowered through *Dastak*.

A young boy with dark hair and a slight smile is climbing a rope structure. He is wearing a light-colored school uniform. The background shows a red brick building and some greenery. The image is used as a background for the text overlay.

Improving Student Well-being & Development

At TCF, we prioritise the well-being of our students and strive to create an educational environment that reflects this. We have introduced several interventions to support our students' physical, emotional, social and mental capabilities. For example, we have designed Fitness Time for students to engage in physical exercise.



Fitness Time

We have introduced 'Fitness Time' as a form of wellness intervention in our Early Years Programme. During Fitness Time, students participate in physical exercises that improve their flexibility, strength and balance. They also learn about the importance of mindfulness and meditation and how to practice both, as well as how to regulate their emotions. We have scaled this intervention across our network of schools after a pilot study, conducted by TCF, revealed significant improvement in students' attention and performance.

Student Development Period



Student Development Period is a 40-minute structured session that focuses on improving students' social-emotional learning. This session, which features activities and discussions, has been designed to enhance self-awareness, self-management, social awareness, relationship skills, and responsible decision-making among our students.

Khair Maqdam (Welcome)

Khair Maqdam is a dedicated, 15-minute activity that fosters a positive start to the day for both students and teachers. Introduced in response to the COVID-19 pandemic, it has now become a regular classroom practice. This activity encourages interaction between students and teachers, providing them an opportunity to share their thoughts and opinions. It helps to create a positive classroom environment, fosters meaningful relationships, promotes the idea that every voice is valued and heard, allows students to express and regulate their emotions, and encourages the practice of gratitude.



Remediation Programme



TCF launched its Remediation Programme to support students in addressing learning loss caused by school closures during the COVID-19 pandemic. The programme is tailored to meet the needs of each student. Teachers are provided with diagnostic tools to assess the extent of the learning loss, relevant teacher guides, and additional training to facilitate two programmes: *Aghaz* (The Beginning), which is designed for the whole-class remediation to address collective learning loss, and *Uraan* (The Flight), which provides individual or small group remediation.

Other Programme Highlights

Learning in the Mother Tongue

TCF's MTB-MLE Model

TCF has implemented a research-based Mother Tongue Based Multilingual Education Model (MTB-MLE) in its schools located in Tharparkar, Sindh. This model involves teaching children in their mother tongue during their early years and gradually transitioning to foreign languages. TCF published its first research report on the model in 2019, which showed that children learn better when they are taught in a language that they understand. The MTB-MLE model is now being introduced in Grade 3 in TCF schools in Tharparkar. We are proud to share that we have developed our first Sindhi Language Textbook series for KG and Grade 1, and we are working on designing and publishing textbooks for Grade 2 and beyond.



Project Ta'aluq

Strengthening School-Community Relationships



In 2021, TCF carried out an extensive data collection exercise to profile TCF school students and their families. The initiative, entitled 'Project Ta'aluq', was conceived in the wake of COVID-19, when the importance of strengthening school-community relations became apparent. Teachers interviewed students and their families on social, health, and economic dimensions including demographics, spoken languages, education, disabilities, occupation, and asset ownership. The data collected from over 200,000+ student interviews and 100,000+ family interviews were digitised, and PowerBi dashboards were created to visualise the data. The survey findings will provide valuable insights at the student and family-level and help improve programme design, ensuring alignment with TCF's mission.

TCF's Aagahi Programme conferred Best Practice Honoree

TCF's Adult Literacy Programme, *Aagahi* bagged yet another award! The Library of Congress selected the *Aagahi* Programme as a 2021 Best Practice Honoree for their Literacy Award Program. The award recognises non-profit organisations across the world for their highly successful practices in promoting literacy. Since its inception, *Aagahi* has empowered over 160,000 women from TCF school communities to learn how to read and write.



Maintaining TCF School Infrastructure

Last year, TCF launched a comprehensive maintenance programme for its schools throughout Pakistan. Schools that needed significant repair were prioritised. The project was carried out following a thorough in-house needs assessment and included paint work, main gate repair, door and cabinet replacements, and the maintenance of sanitary facilities. During Phase 1 of the project, 126 schools underwent extensive repairs and maintenance work amounting to PKR 210 million (£583,000). The remaining schools are scheduled for maintenance and will be completed this year.

Multilateral Partnership Model for Education

In 2019, TCF signed a public-private partnership with the Sindh Education Foundation (SEF) and Sindh Education and Literacy Department (SELD) to develop a sustainable, multilateral model that would support the provision of educational services across Sindh. As part of the agreement, we committed to establishing 500 schools within ten years in underperforming districts across Sindh. Under this partnership, TCF is providing its expertise in constructing and managing schools based on its education model, while SEF is providing operational subsidy. To date, TCF has constructed and is operating 28 school units under this agreement in Karachi, Dadu, Nawabshah and Mirpurkhas.

Ilm Ka Aangan Magazine

the joy of reading continues!



In response to the COVID-19 school closures in 2019, we introduced an edutainment magazine called Ilm ka Aangan (The Learning Courtyard) as part of our Distance Learning and Support Programme. The magazine received an overwhelming response from young readers, which led us to continue its publication even after schools reopened.

Through the magazine, we aim to promote independent reading among children by providing them with access to quality reading material. The magazine is packed with various enjoyable exercises that focus on socio-emotional learning, promoting leisure reading, and empowering students by allowing them to contribute individually. Ilm ka Aangan is now published quarterly and eagerly anticipated by our young learners. To date, TCF has distributed over 3 million copies of the magazines in TCF and other schools in Pakistan.

TCF Rahbar & Summer Camp – back in action!

In 2022, we resumed our volunteer programmes, TCF Rahbar and Summer Camp, for the first time since the pandemic. Hundreds of volunteers from different backgrounds dedicated six consecutive Saturdays to mentor Grade 8 students through our structured volunteering programme, Rahbar. TCF Summer Camp also welcomed many young and enthusiastic volunteers who spent two weeks of their summer holidays with our students, engaging them in extracurricular activities and game-based learning to enhance their knowledge and social skills.



Highlights Of TCF-UK Activities

2022 began with a promise of hope. With the COVID-19 pandemic behind us, we gradually resumed our in-person fundraising events. Our Ramadan Appeal raised an unprecedented £1 million, leading to a 30% year-on-year growth. Unfortunately, the devastating floods in Pakistan in August brought with them a fresh wave of challenges and we had to shift our focus to providing immediate assistance to our communities in the flood-affected areas. As always, we were deeply grateful for the unwavering support of our donors, who rallied together to help us in our efforts.



South London Iftar

Our South London Chapter organised an Iftar at Royal Mahal in Tooting. The night was hugely successful, raising an impressive £11,000 to support the education of underprivileged children in Pakistan. We are very grateful to Farah Khan and Tahir Mughal, our South London Chapter Leads, for organising this event.

Golf Tournament

In May, we hosted our second Annual Golf Tournament at The Grove, where guests enjoyed a fantastic day of golf under the beautiful sunshine. The event brought together golf enthusiasts and raised funds to support the education of 450 children.

Run 10K, Raise 10K

The ASICS London 10K is one of our most popular and successful fundraising events. This year, 13 runners came together to help raise an astonishing £40,600 – enough to educate 375 children for a year. We are incredibly grateful to our runners, many of whom participate each year, for their invaluable time and effort.

TCF Flood Relief Appeal

We launched our Flood Relief Appeal in August, following the devastating floods that hit Pakistan, displacing over 30 million people. Once again, our incredible supporters rose to the occasion, raising over £730,000. Some donors went above and beyond by taking

on new challenges like running and swimming, to raise vital funds to support our communities and bring flood-affected children back to school.

North-South London Cricket Tournament

In September, our North and South London Chapters faced off in a cricket tournament at the Hornsey Cricket Club to help raise funds for our Flood Relief Appeal. Four teams competed for the trophy in 10-over matches. Many congratulations to Team Parhakus for their win! We would also like to thank Shola Kitchen for providing a complimentary lunch-time feast for us.

London Marathon

In October, 8 runners took on the ultimate running challenge, running 20.6 miles at the London Marathon while raising funds for TCF. We are incredibly grateful for their efforts and dedication to our cause.

TCF-UK Chapter Lunch

Our dedicated volunteer groups, known as Chapters, and led by our incredible Chapter Leads, play an integral role in our fundraising efforts. In December 2022, we hosted our Annual Chapters Lunch to acknowledge and celebrate the contributions of our Chapter Leads and to discuss fundraising opportunities and plans for 2023. We also welcomed two new Chapter leads from Manchester and Birmingham.

A REVIEW OF TCF-UK Activities

The Citizens Foundation (UK) was established in 2001 to help raise funds and awareness for TCF, Pakistan's leading charity in the field of formal education for underprivileged children.

Over the last 22 years, we have been fortunate to have the unrelenting support and unwavering commitment of our donors. We have also endeavoured to maintain the highest level of transparency and good governance. Our priority is always to minimise expenditure in the UK so that we can maximise the funds we invest in our education programmes in Pakistan. To that end, none of our Trustees in the UK receive any compensation or out of pocket expense reimbursements from the charity.

2022 started off with a sense of hope. TCF schools finally reopened after extended closures. Our classrooms and hallways were once again filled with students thanks to the efforts of our principals and teachers, who went door-to-door to visit families and convince them to send their children, especially girls, back to school. We also introduced a number of innovative education interventions, including our ground-breaking digital literacy programme, to improve quality of education delivery across our schools.

However, in August 2022, Pakistan was hit by devastating floods that submerged a third of the country and displaced more than 30 million people. In response, TCF, along with its country partners, launched a global Flood Relief Appeal, aimed at providing immediate assistance to families in the flood affected areas. As of the writing of this report, we have distributed food rations to 5.7 million people, facilitated cash transfers to assist 25,000 families to rebuild their lives and rehabilitated TCF schools damaged during the floods. In the immediate aftermath, we also re-started classes in makeshift premises to ensure children do not miss out on their education.

In the UK, we continued with our efforts to diversify our donor base and increase our organisation's visibility across the country. We are immensely grateful to our donors for their support in helping us raise a record amount during Ramadan and during our Flood Relief Appeal.

Thanks to the dedication of our volunteers and chapters, we were able to successfully organise several fundraising events, such as community iftaars, cricket matches and golf tournaments. We also participated in the London Marathon for the first time ever. Our supporters also came together to raise funds for our Flood Relief Appeal by creating personal fundraisers and undertaking personal challenges. One of the most memorable moments was the tweet from English Cricket Board endorsing TCF, which went viral.

A special thanks to our donors, volunteers and supporters who made all our success possible. We would not have been able to do this without you.

Income

Totals	Running costs of schools	Building schools	Endowment fund	
£	£	£	£	
3,048,065	2,375,465	118,252	554,348	Individuals, incl. gift aid
259,530	259,530	-	-	Fundraising events
44,263	44,263	-	-	Corporates
653,480	653,480	-	-	Grant making charities
4,005,339	3,332,739	118,252	554,348	
10,740	10,740	-	-	Investment income
4,016,079	3,343,479	118,252	554,348	2022 incoming resources
2,255,262	2,001,647	150,240	103,375	2021 incoming resources

TCF-UK seeks to minimise administrative costs wherever possible. Expenditure is often covered by specific donations for this purpose. TCF-UK has a policy to send donations received to TCF Pakistan as soon as practicable. Specifically, any restricted donations received, or donations received for a specific purpose, are sent fully to TCF Pakistan.

Total gift aid receivable for 2022 and included above was £372,147 (2021: £168,329).

In addition, the TCF-UK team has assisted TCF in their dealings with international grantors.

Charitable activities

Breakdown of TCF-UK expenditure on charitable activities being grants during the year to TCF totalling £3,439,315 (i.e., excluding £7,200 audit fee) and broken down between

- £2,693,089 of school support, build and endowment grants to TCF, net of bank charges (2021: £1,932,165);
- £746,226 to TCF towards TCF's Pakistan flood relief appeal (2021: nil).

Total	Support	Build	Endowment	
£	£	£	£	
3,439,315	2,766,715	118,252	554,348	2022 grants to TCF
1,932,165	1,678,550	150,240	103,375	2021 grants to TCF

The 2022 support grants to TCF of £2,693,089 included grants towards schools built by TCF-UK donors and, where donors specifically requested this, to TCF's adoption of failed government schools' program (GSP). Our grants paid the annual cost of educating about 34,000 students and contributed over 12% of TCF's total expenditure on running its schools.

Since 2001 a total of 47 TCF schools have been built by TCF-UK donors, of which 15 now run afternoon shifts, for a total of 62 school units (46 primary and 16 secondary) at the start of the 2022 academic year.

A Forgotten School Finds Hope

Neglected classrooms, unusable toilets, and a mere twenty students in attendance – this was the dismal sight that awaited Ms Shumaila Arshad on her first day as the newly appointed principal of the Government School in the village Gulab Pura, Punjab. The school was one of the first 257 government primary schools that had recently come under TCF's management under its Partnership Schools Programme.

"It was no place for a child to learn," recalls Ms Arshad. "Even the fans were broken. We arranged tents and set up classes outside so children could get some air."

Such was the state of the school Ms. Arshad was tasked with reforming. But she refused to let that dampen her spirit. Instead, she spent the subsequent years dedicating herself to rebuilding the school from ground up. Working closely with the TCF team, she led the recruitment and training of new teachers, introduced innovative interventions to improve learning outcomes and made regular community visits to boost enrolment.

In 2019, TCF secured a grant from the Foreign Commonwealth & Development Office (FCDO) UK which led to the renovation and infrastructural improvements of the school.

"Once a forgotten, grim place, today the TCF Partnership School in Gulab Pura brims with learning and laughter, educating over 150 students," remarks Ms Arshad proudly. "It is what a place of learning should look like."





Education Powers **The Wheels Of Hope**

When the school bell rings at midday in the village of Adilpur, Jacobabad, most students at the TCF school make their way home. But not eleven-year-old Dost Ali. In the scorching heat, he heads to the bike repair shop where he works as an apprentice, fixing tire punctures and earning seventy rupees (20p) to help support his family.

“Dost Ali’s father drives passengers in a donkey-cart and his mother is a homemaker, making it difficult for them to make ends meet,” shares Ms Nasima, the Principal at Dost Ali’s TCF school. “As the eldest son, Dost Ali’s father arranged for him to learn a skill so he could help his family. But despite his long hours, Dost Ali never misses a day at school.”

During the day, Dost Ali, a student in Class 3, spends his time learning, laughing and playing at school. “I enjoy playing football and reading aloud in class. When I grow up, I want to be a doctor,” he shares with a sparkle in his eyes.



Help Us Make **A Lasting Difference**





Create Lasting Change

Every contribution that you make goes towards empowering underprivileged children through quality education.

Make a gift to create an impact that lasts forever.



Educate-a-Child
£9 (Monthly)
£108 (Yearly)



Educate-a-Child KG to Matric
£1,143 (One-Time)



Sponsor-a-Classroom
£217 (Monthly)
£2,600 (Yearly)



Support-a-School Unit
£1,333 (Monthly)
£16,000 (Yearly)



Build-a-School
£145,000 (One-Time Build Cost)
£95,000 (5-Year Support)



Alumni Scholarships
£90 for Intermediate Student (One-Time)
£7,000 for a Tier A University Student (One-Time)
£3,000 for Tier B University (One-Time)



Support an Adult Literacy Learner
£15 (One-Time)

Giving Made **Easy**

There are so many ways to make a meaningful contribution with your Zakat, Sadaqah or general donations. Choose what works best for you.



Give Online

Visit www.tcf-uk.org to make a one-time or recurring donation online.



Send a Cheque

Send us your donation by cheque, made payable to "The Citizens Foundation (UK)" at 48 Charlotte Street, London W1T 2NS.



Deposit or Bank Transfer

Transfer your Zakat and Sadaqah to our bank account mentioned on our website <https://www.tcf-uk.org/donation-information/>. You can request a donation receipt by emailing us at info@tcf-uk.org.



Fundraise for us

Start fundraising by creating your own digital campaign at <https://fundraise.tcfglobal.org/>.

Who We Are?

The work that we do would not be possible without the hard work, commitment and dedication of TCF-UK's volunteers, who have worked tirelessly this past year to make our success possible.

Volunteers

Salman & Mehnaz Ahmed
Mikail Taimoor
Ayza Affan
Sharaz Dutt
Sarah Nawaz
Rabia Sultan Abbasi
Zain Ghani
Zehra Kazmi
Solly Abbas
Sofie Abbas

Faisal Khan
Nadir Shera
Esa Dhanani
Faisal Raza Bhojani
Aadam Almakky
Aida Khan
Sinead Morgan
Mehvish Ayub
Safraz Shafqat

UK Chapter Leads

Cardiff

Samina Khan

South London

Farah & Tahir Mughal

High Wycombe

Huma Nawaz

Staffordshire

Hifsa Haroon-Iqbal & Zafar Iqbal

North London

Noreen Kazim-Amir

Yorkshire

Raza Effendi

TCF-UK Team

Sania Sufi

Chief Executive Officer

Esther Howe

Programme Associate

Mirza Javed

Finance Manager

Zaynab Hasan

Fundraising Executive – Trusts & Foundations

Molly Charker

Development Associate

Advisory Committee

Mehreen Malik

Talha Khan

Trustees

Atif Ali

Atif first started volunteering for TCF-UK in 2006, having established CVBoosters with some friends as a fundraising venture for the cause. He now works as a research analyst in the City.

Imtiaz Dossa

Imtiaz has been a supporter of TCF since its inception in Pakistan in 1995 and has supported female education since before then. In addition to having run a trading company, Imtiaz served as a Trustee for a major international charity until 2010 and is a Chartered Accountant.

Tariq Hussain

Tariq has been associated with TCF since 1998, starting off as a donor. A few years later he became part of the team that helped TCF-UK register as a charity in 2001. Tariq is an investment banker and Chartered Accountant by profession and holds an MBA from IMD Business School, Lausanne.

Bilal Raja

Bilal has been a supporter of TCF for over twenty years, and has served as Trustee in the UK since 2008. Bilal is a former fund manager and holds a Masters in Finance from London Business School. He is also a qualified Chartered Financial Analyst.

Nouman Hashmi

Fellow member of the Association of Chartered Certified Accountants. Founder and CEO of a business consultancy practice with extensive experience of financial management, business strategy, compliance, risk management and regulatory work.



ALHAMD SHARIAH ADVISORY SERVICES

(PVT) LIMITED

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

August 24, 2022

نحمده و نصلى على رسوله الكريم

Shariah Advisor's Report

For the year ended June 2022

INTRODUCTION:

TCF is a professionally managed, non-profit and philanthropic organization set up in 1995 by a group of citizens concerned with the dismal state of education in Pakistan. It is now one of Pakistan's leading organizations in the field of formal education. The vision of TCF is to remove barriers of class and privilege and to make the citizens of Pakistan agents of positive change. TCF believe that access to basic education is the right of each individual and not a privilege. Under the administration of TCF hundreds of schools spread throughout Pakistan are providing education to thousands of children.

METHOD OF UTILIZATION OF ZAKAT:

The organization's financial needs are being covered by zakat and donations that Pakistani individuals and corporate throughout the world contribute towards. Zakat received by TCF is spent on the benefits of deserving students. TCF management checks out the financial condition of applicants in respect of Zakat eligibility and gets zakat agency from the eligible students for the organization. This constructive tamleek (ownership) enables TCF to collect Zakat on their behalf and right to utilize it as per eligible needs of students.

SHARIAH RULING:

It is confirmed that The Citizens Foundation collects and spends Zakat fund in accordance with the instructions of Shariah. It is also confirmed that whosoever will give Zakat to this Foundation; their Zakat will be paid as per Shariah point of view.

May Allah grant the management of The Citizens Foundation best reward for their services, and may give in their mission more blessings and sincerity. Aameen

Mufti Muhammad Ibrahim Essa

Chief Executive Officer

Alhamd Shariah Advisory Services (Pvt.) Limited

Mufti Ubaid ur Rahman Zubairi

Director

Alhamd Shariah Advisory Services (Pvt.) Limited



NOTE: This certificate is valid till 30th June 2023



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The background of the page is a photograph of a young child, seen from the side, focused on using a traditional wooden abacus. The child's hands are positioned over the colorful beads (blue, purple, and red) on the abacus's frame. The entire image is covered by a semi-transparent blue rectangular overlay. The word "Financials" is written in a large, white, sans-serif font, centered within the blue area. The text is flanked by white L-shaped brackets on both the left and right sides, suggesting it is part of a larger list or index.

Financials

THE CITIZENS FOUNDATION (UK)
Company no: 4075959

Annual Report and Financial Statements
for the year ended 31 December 2022

COMPANY INFORMATION

DIRECTORS:	T R Hussain B Raja M A Ali I S Dossa
SECRETARY:	T R Hussain
REGISTERED OFFICE:	48 Charlotte Street, London W1T 2NS
REGISTERED NUMBER:	4075959 (England & Wales)
CHARITY NUMBER:	1087864 (England & Wales)
AUDITORS:	Haines Watts Chartered Accountants Statutory Auditors Aissela, 46 High Street, Esher, Surrey, KT10 9QY
BANKERS:	Lloyds Bank plc 70-71 Cheapside London EC2V 6EN HSBC Bank plc 95 Grace Church Street London EC3V 0DQ

TRUSTEES' REPORT

The Trustees (who are directors for the purposes of the Companies Act 2006) are pleased to present their annual trustees' report together with the financial statements of the charity for the year ended 31 December 2022 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019 (effective 1 January 2019).

CONSTITUTION, POLICIES AND OBJECTIVES

The Citizens Foundation (UK) (TCF-UK) is constituted as a company (No: 4075959) limited by guarantee incorporated in London (England and Wales) on 21 September 2000, and registered as a charity (No: 1087864) in England and Wales on 6 August 2001.

TCF-UK's principal objective is to raise awareness of and funds for The Citizens Foundation (TCF), Pakistan's leading charity in the field of formal education for underprivileged children.

There have been no changes in the objectives since the last Annual Report.

In earlier pages of this Annual Report, the Trustees have provided a great deal of additional detail and analysis of the income and expenditure of the Charity as well as comprehensive information on TCF: its work, ethos, current status and future plans and aspirations.

The Trustees have considered the Charity Commission's guidance on public benefit and believe that our work and purposes clearly meet the public benefit requirement.

FUTURE PLANS

TCF-UK is committed to supporting the long-term, sustained growth of TCF. Our priority, as always, is to build a passionate, committed and diversified donor-base to provide a secure and sustainable foundation for TCF. TCF's schools, including the 353 failing government schools it has adopted, nurture and produce tolerant, economically self-reliant, self-confident and civic-minded citizens capable of critical thinking.

MEMBERSHIP

TCF-UK is currently not a member of any professional body or umbrella organisation, other than TCF. The Trustees are satisfied with the results and activities of the Company for the year and do not anticipate any significant changes in the forthcoming year.

	2022	2021
Restricted funds	£	£
Investments (Note 5)	345,241	380,521
Other restricted funds	236,128	-
Restricted funds	581,369	380,521
Unrestricted funds	312,649	265,300
Accumulated funds	894,018	645,821

TRUSTEES' REPORT (cont'd)

Restricted funds – see notes 3, 5, 11, 12 & 13 for more details:

Investments are made up of:

Share capital of TCF-UK Endowment Ltd. £1 (2021: £1); and

Endowment fund investment £345,240 (2021: £380,520): these shares – their income and any proceeds from their sale, are restricted by the donor solely to defray the costs of running TCF schools built by that donor.

Other restricted funds of £236,128 are two legacy endowments received by the charity and held in cash pending investment.

Unrestricted funds: see notes 12 & 13:

The charity aims to maintain unrestricted funds, which are the free reserves of the charity, at a level which equates to approximately nine-month's on-going expenditure on the governance, management, and administration of the charity and unrestricted fund deposited to the bank. The Trustees believe this should provide sufficient funds to enable the charity to respond to unexpected contingencies.

At 31 December 2022 total unrestricted retained funds were £312,649 (2021: £265,300) Due to circumstances beyond the charity's control, this is considerably higher than the above basis.

RISK MANAGEMENT

As with all charities, TCF-UK faces diverse risks, some of which are outside trustees' control and some whose impact trustees can ameliorate.

Major risk mitigation by trustees includes monitoring on an on-going basis:

- That TCF's work is aligned with TCF-UK's objectives. TCF is in essence TCF-UK's sole beneficiary.
- Our funding base, with a particular focus on our exposure to a potential curtailment by large donors.

The diversification of fundraising sources is an active trustee priority to ensure the charity does not become dependent to any one source of income.

The Trustees have assessed the major risks to which TCF-UK is exposed, in particular those related to the operations and finances of the Company, and are satisfied that systems are in place to mitigate their exposure to major risks.

FUNDRAISING STANDARDS INFORMATION

Raising funds and awareness of the charity is carried out by employees and trustees. The charity does not use professional fundraisers. Trustees and staff aim to ensure that all our fundraising remains respectful, open, honest and accountable to the public. The charity is registered with the Fundraising Regulators and complies with the Financial Regulator's Code of Fundraising Practice. Trustees have not received any complaints in respect of our fundraising activities.

STRUCTURE, GOVERNANCE AND MANAGEMENT

All the Trustees participate in the management of the charity. Existing Trustees appoint new trustees after a satisfactory induction process. The Trustees rely on the excellent guidance for new and existing trustees published by the Charity Commission.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of The Citizens Foundation (UK) for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

TRUSTEES' REPORT (cont'd)

Company law requires the Trustees to prepare financial statements for each financial year, 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 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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 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.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITORS

TCF-UK's Financial Statements are subject to a statutory audit. This has been completed by Haines Watts.

The report has been prepared having taken advantage of the small companies exemption in the Companies Act 2006.

Signed on behalf of the Board:



T R HUSSAIN

31 May 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CITIZENS FOUNDATION (UK) LIMITED (BY GUARANTEE)

Opinion

We have audited the financial statements of The Citizens Foundation (UK) (the 'charitable company') for the year ended 31 December 2022 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022, and of its 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.

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 charitable 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

- 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 charitable 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.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial 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.

INDEPENDENT AUDITOR'S REPORT (cont'd)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 43, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We discussed with the Directors the policies and procedures in place regarding compliance with laws and regulations. We discussed amongst the audit team the identified laws and regulations, and remained alert to any indications of non-compliance.

During the audit we focussed on laws and regulations which could reasonably be expected to give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation and enquiries with management.

Our procedures in relation to fraud included but were not limited to: inquires of management whether they have any knowledge of any actual, suspected or alleged fraud, and discussions amongst the audit team regarding risk of fraud such as opportunities for fraudulent manipulation of financial statements. We

INDEPENDENT AUDITOR'S REPORT (cont'd)

determined that the principal risks related to posting manual journal entries to manipulate financial performance and management bias through judgements in accounting estimates. We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud. Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees 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 charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Jane Wills FCA MA
Senior Statutory Auditor

For and behalf of

Haines Watts Chartered Accountants
Statutory Auditors

Aissela
46 High Street Esher
Surrey
KT10 9QY

15 June 2023

Haines Watts Chartered Accountants is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

STATEMENT OF FINANCIALS ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

	Notes	Unrestricted Funds	Restricted Funds	2022 Total Funds	Unrestricted Funds	Restricted Funds	2021 Total Funds
		£	£	£	£	£	£
Income							
Donations, grants and endowments	1 & 10	885,570	2,860,239	3,745,809	934,814	1,187,884	2,122,698
Other trading activities (incl. fundraising events)	1	71,318	188,212	259,530	59,298	62,720	122,018
Income from Investments	1	264	10,476	10,740	70	10,476	10,546
Total income and endowments		957,152	3,058,927	4,016,079	994,182	1,261,081	2,255,262
Expenditure							
Cost of raising funds (incl. fundraising events)	1, 2, 8 & 9	286,087	-	286,087	241,779	-	241,779
Expenditure on charitable activities	1	623,716	2,822,799	3,446,515	678,284	1,261,080	1,939,365
Total expenditure		909,803	2,822,799	3,732,602	920,064	1,261,080	2,181,144
Net gains/(losses) on investments	3 & 5	-	(35,280)	(35,280)	-	(12,000)	(12,000)
Net income/(expenditure) and net movement in funds for the year		47,349	200,848	248,197	74,118	(12,000)	62,118
Reconciliation of funds							
Total funds brought forward		265,300	380,521	645,821	191,182	392,521	583,703
Total funds carried forward	3 & 12	312,649	581,369	894,018	265,300	380,521	645,821

BALANCE SHEET AS AT 31 DECEMBER 2022

	Notes	£	2022 £	2021 £
Fixed Assets				
Tangible assets	4	2,305		1,560
Investments	3, 5, 11 & 13	345,241		380,521
			347,546	382,081
Current Assets				
Debtors	6 & 13	20,341		80,659
Cash at bank and in hand	12	534,027		193,201
		554,368		273,860
Creditors: Amounts falling due within one year	7 & 13	(7,896)		(10,120)
Net Current Assets			546,472	263,740
Net Assets/Liabilities			894,018	645,821
Represented by:				
Accumulated Funds				
Unrestricted funds	12 & 13		312,649	265,300
Restricted funds	3, 12 & 13		581,369	380,521
Total Charity Funds			894,018	645,821

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

Signed on behalf of the Board:



T R HUSSAIN
Director
31 May 2023



I S DOSSA
Director
31 May 2023

STATEMENT OF CASHFLOWS

		Unrestricted Funds	Restricted Funds	2022	2021
		£	£	£	£
Cash flows from operating activities:					
Net cash provided by (used in) operating activities	Note A	106,453	225,652	332,105	2,751
Cash flows from investing activities:					
Dividends from investments		-	10,476	10,476	10,476
Purchase of property, plant and equipment		(2,019)	-	(2,019)	(1,031)
Bank Interest received		264	-	264	70
Net cash provided by (used in) investing activities		(1,755)	10,476	8,721	9,515
Cash flows from financing activities:					
Receipt of endowment		-	-	-	-
Net cash provided by (used in) financing activities		-	-	-	-
Change in cash and cash equivalents in the reporting period	Notes B&C	104,698	236,128	340,826	12,266
Cash and cash equivalents at the beginning of the reporting period	Notes B&C	193,201		193,201	180,935
Cash and cash equivalents at the end of the reporting period	Notes B&C	297,899	236,128	534,027	193,201

Note A: Reconciliation of net movement in funds to net cash flow from operating activities

	Unrestricted Funds	Restricted Funds	2022	2021
	£	£	£	£
Net movement in funds for the reporting period (as per the statement of financial activities)	47,349	200,848	248,197	62,000
Adjustments for:				
Depreciation charges	1,274	-	1,274	1,088
Loss/(gain) on investment	-	35,280	35,280	12,000
Dividends received included in investing activities	-	(10,476)	(10,476)	(10,476)
Interest received included in investing activities	(264)	-	(264)	(70)
(Increase)/decrease in debtors	60,318	-	60,318	(62,973)
Increase/(decrease) in creditors	(2,223)	-	(2,223)	1,182
Net cash provided by (used in) operating activities	106,453	225,652	332,105	2,751

Note B: Analysis of cash and cash equivalents			2022	2021
			£	£
Cash in hand	297,899	236,128	534,027	193,201
Notice deposits (less than 30 days)	-	-	-	-
Overdraft facility repayable on demand	-	-	-	-
Total cash and cash equivalents	297,899	236,128	534,027	193,201

STATEMENT OF CASHFLOWS (cont'd)

Note C: Analysis of changes in net debt

Cash and cash equivalents at the beginning of the reporting period	193,201	–	193,201	180,935
Change in cash and cash equivalents in the reporting period	104,698	236,128	340,826	12,266
Cash and cash equivalents at the end of the reporting period	297,899	236,128	534,027	193,201

NOTES TO THE FINANCIAL STATEMENTS

1) ACCOUNTING POLICIES

Basis of preparation of Financial Statements:

The financial statements have been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Citizens Foundation (UK) meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Statutory Information

The Citizens Foundation (UK) is a private company, limited by guarantee, registered in England and Wales. The company's registered number and registered office address can be found on the company information page. The members of the company are the Trustees (Directors) named on the company information page. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the company.

Fund Accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Restricted funds are donations which the donor has specified are to be used solely for a particular purpose, for example to build or support the running costs of a nominated school or other defined educational purpose.

Income Recognition policies

Income is recognised and included in the accounts when all of the following criteria are met:

- The Charity has entitlement to the funds;
- Any performance conditions have been met;
- There is sufficient certainty that the receipt of the income is considered probable; and The amount can be measured reliably.

Gift aid:

Income includes gift aid outstanding and receivable from HMRC at the year end.

Donated Services:

The charity benefits greatly from the involvement and enthusiastic support of its many volunteers, details of which are given in our annual report. In accordance with accounting standards, the economic contribution of general volunteers is not measured in the accounts.

Donated Shares:

Donated shares are initially recognised at the share price on the date of transfer to the charity. They are subsequently recognised at fair value at the balance sheet date, as detailed in the Fixed Asset Investments accounting policy in Note (1) below.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following headings:

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

• Cost of raising funds – £286,086 (2021: £241,779) includes:

- £34,476 of expenditure on fundraising events (2021: £12,976)
- £194,191 of employment costs (2021: £182,687) – see Note 8
- £19,630 of rental expenditure (2021: £18,371) – see Note 9
- £7,547 of marketing expenditure (2021: £5,108)
- £30,242 of other expenditure (2021: £22,637)

During the year, the charity received donations of £8,319 specified by the donor to defray the charity's event's expenditure (2021: £7,431).

• Expenditure on Charitable activities £3,446,515 (2021: £1,939,365) is comprised of:

- £2,693,089 of school support, build and endowment grants to TCF, net of bank charges (2021: £1,932,165);
- £746,226 to TCF towards TCF's Pakistan flood relief appeal
- £7,200 statutory audit fee (2021: £7,200)

Leasing Commitments

The rental payments under operating leases are recognised on a straight-line basis over the lease term.

Tangible Fixed Assets

All assets costing under £500 are capitalised in the year of purchase, but are written down to a value of £1. Assets costing more than £500 are capitalised and are depreciated at 33% on the reducing balance basis.

Fixed Asset Investments

Fixed asset investments consist of:

- Equity investment in group undertaking: this relates to a wholly owned subsidiary. The investment is subsequently measured at cost less impairment. Consolidated accounts have not been prepared as there have been no transactions in the wholly owned subsidiary during the period from incorporation to 31 December 2022. Please refer to note 13 for more detail.
- Listed investment: Investments are valued at their fair value measured using the share price at the balance sheet date.

Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid after taking account of any trade discounts due.

Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Financial Instruments

Financial assets measured at fair value through net income/expenditure comprise of listed investments.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Fair value is measured using the share price at the balance sheet date. See details of carrying amount and net gain from investment in note 5.

Key source of estimation, uncertainty and judgement

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgement that affect the reported amounts of asset and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of income and expenses during the reporting period. There is estimation uncertainty in calculating depreciation. Whilst every attempt is made to ensure that the depreciation policy is as accurate as possible, there remains risk that the policy does not match the useful life of the assets.

2) TRUSTEES EXPENSES & REMUNERATION

During the year none of the Trustees received any remuneration, benefits in kind or expenses.

3) RESTRICTED FUNDS

Restricted funds of £581,369 on the Balance Sheet at 31 December 2022 were made up of:

- £1 being the share capital of TCF-UK Endowment Ltd., a wholly owned subsidiary of the Charity. Notes 5 & 11 provide full details of this.
- £345,240 being the value at 31 December 2022 of quoted shares gifted in 2015 to the Charity from a donor for an endowment fund. The value of the shares when gifted was £353,100. During the year the value of the shares had decreased by £35,280 from £380,520 at 31 December 2021. The shares continue to be held by the Charity. The dividend income in 2022 has been applied towards the support costs of TCF schools built by that donor. Future dividend income and, potentially, any gains in the value of these shares, shall only be applied towards the support costs of existing and future schools built by that donor. The year end value was based on fair value being the closing price on the London Stock Exchange on 31 December 2022 (2021:£380,520).
- £236,128 being two legacy endowments received by the charity during the year and held in cash pending investment. At the charity's discretion, investment income shall be applied towards TCF's education expenditure.

4) TANGIBLE FIXED ASSETS

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Office equipment – 33% on the reducing balance basis

Cost	Office Equipment
	£
At 01 January 2022	15,842
Additions in the year	2,019
At 31 December 2022	17,861
Depreciation	
At 01 January 2022	14,282
Charge for year	1,274
At 31 December 2022	15,556

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

Net Book Value

At 31 December 2022	2,305
At 31 December 2021	1,560

5) INVESTMENTS

	Equity investment in group undertaking	Listed investment	Total investments
Cost or valuation	£	£	£
At 1 January 2022	1	380,520	380,521
Additions	-	-	-
Disposals	-	-	-
Revaluations	-	(35,280)	(35,280)
At 31 December 2022	1	345,240	345,241
Carrying amount			
At 31 December 2022	1	345,240	345,241
At 31 December 2021	1	380,520	380,521

6) DEBTORS:

Amounts falling due within one year

	2022	2021
	£	£
Other Debtors	20,341	80,659

7) CREDITORS:

Amounts falling due within one year

	2022	2021
	£	£
Accruals	7,896	10,120

8) WAGES:

	2022	2021
	£	£
Salaries	172,358	162,782
Social security costs	18,792	16,772
Pension contributions	3,041	3,133
	194,191	182,687

Average number of employees	5	5
No employee was paid more than £60,000 (2021: 0)		

During the year, the charity received donations of £0 specified by the donor to defray the charity's salaries expenditure (2021: £55,000).

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

9) OPERATING LEASES

Total future minimum lease payments under non-cancellable operating leases are due in each of the following periods:

	2022	2021
Expiring:	£	£
Within one year (12 months lease)	21,503	17,675
Later than one year and not later than five years	-	-
	21,503	17,675

The total operating lease expenditure included in the Statement of Financial Activities is £19,630 (2021: £18,371).

10) RELATED PARTY TRANSACTIONS

As in previous years, all the Trustees have made restricted and unrestricted donations to the Charity, the total of these donations in 2022 being £78,360 (2021: £90,643). None of the restricted donations require the Charity to alter significantly the nature of its existing activities. As in previous years, there were no payments made to any trustee and no other related party transactions.

11) TCF-UK ENDOWMENT LTD– Company number. 11705468 (the “Endowment Subsidiary”)

On 30 November 2018, the Trustees incorporated the Endowment Subsidiary as a wholly owned subsidiary of TCF-UK. The purpose of the Endowment Subsidiary is to receive and hold within its donations of income-generating trading assets such as residential property that could potentially be gifted in specie to TCF-UK. The Endowment Subsidiary was set up with a share capital of £1 and its three Directors are also Directors of TCF-UK. The Endowment Subsidiary has been dormant from incorporation to date with no bank account, no income or expenditure and no transactions other than its £1 share capital. The Endowment Subsidiary has therefore not been consolidated in the accounts of The Citizens Foundation (UK). The investment cost of £1 has been recorded in the accounts as per Note 5.

12) ANALYSIS OF MOVEMENT OF UNRESTRICTED AND RESTRICTED FUNDS

	Balance 1 January 2022	Income	Expenditure	Funds 31 December 2022
	£	£	£	£
Unrestricted funds	265,300	957,152	909,803	312,649
Restricted funds				
Endowment Subsidiary	1	-	-	1
Endowment fund				
– received	380,520	10,476	10,476	380,520
Net gain/(loss) on investment	-	(35,280)		(35,280)
Endowment fund	380,520	(24,804)	10,476	345,240
Other restricted funds	-	3,048,451	2,812,323	236,128
Restricted funds	380,521	3,023,647	2,822,799	581,369

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

	Balance 1 January 2021 £	Income £	Expenditure £	Funds 31 December 2021 £
Unrestricted funds	191,299	994,182	920,181	265,300
Restricted funds				
Endowment Subsidiary	1	-	-	1
Endowment fund				
- received	392,520	10,476	10,476	392,520
Net gain/(loss) on investment	-	(12,000)		(12,000)
Endowment fund	392,520	(1,524)	10,476	380,521
Other restricted funds	-	1,250,605	1,250,604	-
Restricted funds	392,521	1,249,081	1,261,080	380,521

13) ANALYSIS OF NET ASSETS BETWEEN FUNDS

	2022 £			
	Unrestricted funds £	Restricted funds Investments £	Restricted funds Others £	Totals £
Fixed (tangible) assets	2,305	-	-	2,305
Investments	-	345,241	-	345,241
Cash at bank	297,899	-	236,128	534,027
Other current assets/liabilities	12,445	-	-	12,445
Total	312,649	345,241	236,128	894,018
Total restricted funds			581,369	

	2021 £			
	Unrestricted funds £	Restricted funds Investments £	Restricted funds Others £	Totals £
Fixed (tangible) assets	1,560	-	-	1,560
Investments	-	380,521	-	380,521
Cash at bank	193,201	-	-	193,201
Other current assets/liabilities	70,539	-	-	70,539
Total	265,300	380,521	-	645,821
Total restricted funds			380,521	



THE CITIZENS FOUNDATION (UK)

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