

# **ANNUAL REPORT**

# **2021**

**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 2021**



## ***ANNUAL REPORT 2021 - CONTENTS***

---

<b><i>Annual Report</i></b>	<b><i>2 - 16</i></b>
<b><i>Officers and Professional Advisers</i></b>	<b><i>17 - 18</i></b>
<b><i>Report of the Executive Director and Trustee Board</i></b>	<b><i>19 - 24</i></b>
<b><i>Independent Auditor's Report</i></b>	<b><i>25 - 28</i></b>
<b><i>Consolidated Statement of Financial Activities (including the Group Income and Expenditure Account)</i></b>	<b><i>29</i></b>
<b><i>Group and Company Balance Sheets</i></b>	<b><i>30</i></b>
<b><i>Statements of Changes in Equity</i></b>	<b><i>31</i></b>
<b><i>Statement of Cash Flows and Consolidated Statement of Cash Flows</i></b>	<b><i>32</i></b>
<b><i>Notes to the Financial Statements</i></b>	<b><i>33 - 52</i></b>

## Introduction from our Chair and Executive Director

*As Chair of Trustees of this amazing charity, I want to thank my fellow trustees and Citizens UK staff for the significant work that has been undertaken in this most difficult of years. The achievements highlighted in this report are testament to a healthy organisation delivering its strategic aims and staying focussed on its core purpose through tumultuous social upheaval.*



Much of the energy for winning justice and change comes from the joy and challenge of relationships and working together. This has required considerable extra effort over an extended period, with the ebb and flow of changing regulations around meeting with others and the managing of myriad individuals' anxieties and health considerations. I pay tribute to the resilience of staff, Community Organisers and local leaders, who have navigated in-person and online relationship building, Organising and actions, whilst continuing to maintain the momentum of listening, taking action, negotiation, and winning justice.

This work has not been without personal cost, and I am grateful for the organisational focus on wellbeing underpinned by three of Citizens UK's values: solidarity, inclusion, and

kindness. I am also heartened that extra attention is being given to Diversity and Inclusion to strengthen the precious currency of different people and institutions working well together.

I am proud of Citizens UK's financial resilience, the trust that partners and funders place in the organisation, and its responsiveness to community needs by making the changes that have been required in and through a crisis. I look forward to continuing to work with my fellow trustees in oversight responsibilities as the organisation continues to deliver real impact and to adapt to the future. Citizens UK has a growing identity in Britain, and I am confident that this will keep evolving in a way which is inclusive, true to our heritage and responsive to these rapidly changing times.

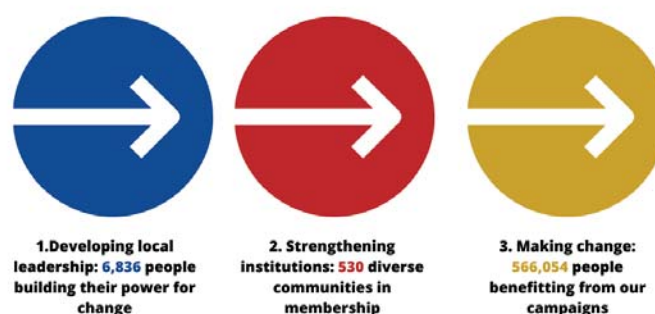
**Revd Canon Karen Rooms, Chair of Trustees**

*I want to give a massive thanks to the thousands of local leaders who've contributed to Citizens UK campaigns and projects through this most difficult year.*



"Young people facing upheaval in their time at school yet showing the courage to organise for improved mental health provision. Nurses, teachers and clergy who are already going above and beyond in their own community and still finding time to campaign for the Living Wage for key workers. So many inspiring examples. All the social change outlined in this report is powered by people, so many of whom are experiencing injustice and pressure, and all of whom deserve real credit."

We have three strategic aims that have guided us through this turbulent year. Through this report, you'll read stories and examples of the wide variety of people and projects, and that will bring these numbers to life:



Looking ahead, we're taking two important lessons from this pandemic to shape our future work.

First, that trust and relationships at a local level are what really matters in how a community can respond to a crisis and support those needing help. We've seen that in our network this year through a whole array of Covid support projects, such as faith communities tackling loneliness or promoting vaccinations and schools supporting families in hunger or making PPE for local care homes. For this reason, we are recommitting ourselves to the local community and to our core aims of strengthening local communities and developing local leaders. We'll put this into practice by ramping up our training and

increasing our specialist support for different types of local communities.

The second lesson is that there are deep injustices common across regions and nations that need big strategies for change: the social care crisis, climate change, racial injustice, and the refugee crisis. To play our part in addressing these challenges, Citizens UK needs to evolve – and rapidly. We commit to being bolder, more focussed, and more ready to act in solidarity across the whole network. We are ready to embrace new partnerships and innovative approaches to increase our impact.

Whether it's neighbourhood level Community Organising or UK-level campaigns, it's people and relationships that hold it together so we're doing everything we can to support wellbeing, work-life balance and 1-2-1 conversations.

**Matthew Bolton, Executive Director, Citizens UK**



*Developing people to be more effective community leaders is a vital part of Citizens UK's mission – and our training is key to making sure more and more people have access to community organising skills. The pandemic meant that we were not able to run any of our residential training courses this year, but we adapted our curriculum and moved it online – with fantastic results!*

Citizens UK ran a series of multi-day training courses throughout the year, and **over 250 leaders participated**. Far from being 'Death-by-Zoom', the courses received positive feedback, especially the development of mini Learning Groups to help support learning in a more intimate context;

Necessity proved to be the mother of invention in Lockdown as we developed the **16:00 slot on Thursday afternoons as 'Learning Thursdays'**. Over a thousand leaders drawn from every chapter in Citizens UK participated in one of these sessions, on themes ranging from How to raise 'hard money' to the importance of racial justice and the Black Lives Matter movement.

The **Guild of Community Organisers developed its ability to deliver training via Zoom**, as well as learning what makes for an effective 'Learning Thursday'. Almost every Organiser contributed to this amazing effort – and it is a testament to their adaptability that we ended up training more leaders during the Lockdown than we would have done without the pandemic!

## **Case Study 1: National Leaders Graduate!**

Having completed national training and 50 hours of Community Organising in their local communities, these individuals received their Level 4 Graduate Certificate in Community Leadership, accredited by Newman University in collaborative partnership with Citizens UK.

Congratulations to our graduating colleagues: **Afsana Salik, Community Organiser for Tower Hamlets**, and **Sylvie Pope, Learning and Communications Organiser**. A big thank you to Organisers for supporting the following leaders who also graduated: **Sufia Alam, Razna Al-Faradhi, Kulsuma Begum, Najma Khalid, Aysha Khanom, Kwame Lowe, Conor McGurran, Rowha Mohid, Steven North, Adnan Shafi, Nirushan Sudarsan, Jack Swan**.



## ***Afsana reflects on her experience graduating with her leaders***

***When I was working through portfolios with my leaders, we began to realise how much we had achieved together.***  
-Afsana

Through 1-2-1 conversations, my leaders better understood their self-interest and how much graduating means to them. Even though they've been Community Organising for so long, this was a really new thing for them.

We train so many leaders per year, but how many of these leaders actually expect to complete the 50 hours and graduate with a certificate? We need to focus on that more, especially for leaders from ethnic minority communities, young leaders, parents and mothers or those with gaps in their CVs.

This was a great opportunity to have something to show for all the Community Organising they've done, encouraging them to seek out more ways to grow, and is also great for future employment.

Some of my leaders were reflecting on their undergraduate or masters degrees, and for some who are mothers of three or four grown children, they noted how they still had the opportunity to learn and get a qualification.

***This really boosted their confidence. They told me it feels like something they have achieved, not for their community, not for their families, but for themselves. Leaders also brought generations of family members along to celebrate with them!***

I also took some time to reflect on myself... as Community Organisers, we focus so much on developing leaders and growing institutions, but we don't always prioritise our own development and growth. Every Organiser – and indeed many other colleagues – have done the training and more than 50 hours of putting this into practice. We should encourage each other to get the certificate, otherwise we are teaching something that we are not practising ourselves.

***It's really nice to feel that I've achieved something for myself. Here is my time and I'm celebrating that I'm so proud of myself for doing it!***

My leaders and I celebrated this big day together, and the process has definitely brought us closer and built our trust.

***It was very special for me to see that my leaders have grown so much. Also, for my leaders and their institutions to see me celebrating with them – and all that we have achieved together – that was very meaningful.***

## Case Study 2: *PACT's training and support has changed my life*

*My name is Munira. I am a mum of three children; a girl and two boys. We moved to Southwark a year ago. I was so isolated and felt insecure. I worried whether my kids would cope with moving to a new area and new schools*

The first person who welcomed me in my building was a lovely neighbour. I was lucky as she invited me to the MumSpace group at Parents And Communities Together (PACT). Her name was Abi, and she is a Parent Champion and Welcomer for the project. I cannot express how this changed my life and that of my kids. I met lovely mums from different backgrounds and cultures and we now call each other sisters! I look forward to seeing them every Friday.



Since I joined PACT, I have attended two training courses. One in Community Organising and Leadership and also a Parenting course for 2 - 4 years old. I am now representing parents on the PACT Steering Group.

On the Steering Group, I have met community leaders and professionals whom I would not meet every day. I also went to the Citizens UK accountability assembly where I met lots of amazing people from other institutions, as well as MPs. Recently, I was invited by our Project Manager to a Women Interfaith Network Lunch where again I met other people from around London and elsewhere. I even took a picture with the Guest Speaker, our ex-prime minister Tony Blair!

I am also volunteering in our piggy bank every first Friday of the month. We receive donations and sell them at very cheap prices to families in our community as a way of fundraising. I was involved in Organising the PACT Assembly too. What a busy life! What a great year! I am looking forward to more amazing opportunities and taking part in events in our community, building new relationships, empowering others and making change for a better life.

## **Strengthening Institutions**

A question any leader in a Citizens UK member institution should ask is, 'how has our membership of Citizens UK strengthened our own institution this year?' While most organisations are attracted to Citizens UK by our social justice wins and our leadership training, those that stay for the long-term are the ones that work out how their membership helps them to better live out their own vision and mission.

**530 member organisations** across **16 Citizens alliances** supported by **50 professional Community Organisers**.

**Sector-specific training** for school-teachers, faith leaders, higher education professionals, and community sponsorship groups.

**Online delivery** made our training accessible to a group of leaders who would previously have struggled to participate.

## ***Case Study: Community Sponsorship Groups, Alliance and Member Organisations Plan Alternative Tomorrows - with Hope!***

*Thanks to Covid-response funding from the National Lottery Community Fund, Citizens UK developed new training in a Person-Centred Planning Approach called PATH (Planning Alternative Tomorrows with Hope). At a time of great uncertainty, the PATH approach helped member organisations, local alliances, community sponsorship groups and others reconnect with their dreams and turn them into practical steps for a more hopeful future.*

### ***The training helps to:***

***Envision a meaningful and positive future.***

***Set coherent, achievable, and incremental goals which help to orient your life and project over the course of a year.***

***Facilitate active listening and foster a sense of common purpose within your community.***

***Recruit allies and strengthen your collective efficacy.***

***Identify challenges which may inhibit your progress and think about how to stay resilient in the face of them.***

Our Sponsor Refugees team took the lead in working with a team of Educational Psychologists to apply the PATH approach for resettled refugee families as well as for the community sponsorship groups that support them to integrate. Dozens of people attended the training, and have been putting it in to practice to make sure that refugee families have real agency in determining their future.

Leaders from Citizens Somerset also took up the offer of training in PATH, and subsequently developed a PATH for their chapter which has helped to guide their Leadership Team ever since (see above).



## ***Case Study: Cardiff Business School – Community Organising for Public Value***

*Since 2015 Cardiff Business School has put Public Value at the heart of its organisational strategy. In simple terms, the Public Value ethos aims to deliver social improvement alongside economic development, recognising the role that business and management has to play in tackling some of the grand challenges in contemporary society.*

*When the Business School joined Citizens Cymru Wales, the local Community Organisers spent time understanding the Public Value Mission, and how Community Organising could help them deliver that. The result of that dialogue is a pioneering 'Society and Economy' module run in collaboration with Citizens Cymru Wales Organiser Fiona Meldrum, in which each year 300 first-year undergraduates are trained in Community Organising as part of a Public Value Leadership Academy.*

*Fiona worked with Dr Deborah Hann and Dr Marcus Gomes to adapt the '5 Steps to Social Change' curriculum to engage the students, and help them to connect with local communities most in need of social and economic change. Following their training, every student had to plan and carry out an action, which this year led to 60 leeks being sent on St David's Day to a range of local employers asking them to 'do a little thing' and accredit as a Living Wage employer and sign the Community Jobs Compact.*



# Making Change

*Our work is powered by the people in our membership and it's their experiences that set our priorities. Across the Citizens network, there are hundreds of neighbourhood projects with local leaders campaigning for a zebra crossing outside a school or welcoming a refugee family through community sponsorship. In this section on making change, we'll feature three strands of work where the local connects to the UK-level: Living Wage; housing and homelessness; and keeping women and girls safe from hate crime*

## LIVING WAGE

*Our biggest campaign, that has now won over £1.7bn for low-paid workers, started from local community listening in East London 20 years ago.*

*The Living Wage campaign has grown into a UK-wide (and soon to be international) movement of workers, communities, and employers, but the local Community Organising remains a core part of our approach. We're going to look at that local to UK connection through the story of the Newcastle University Living Wage campaign and then into the headline successes of our Living Wage Foundation.*



# The Story of the Newcastle University Living Wage Campaign

*When we launched Tyne & Wear Citizens in 2017, only 30 organisations were accredited as Real Living Wage Employers. Yet the region was blighted by poverty, driven largely by low pay & insecure jobs. We held some embarrassing titles as a region: biggest used food bank in the country; highest percentage of zero-hour contracts and the highest number of children on Free School Meals. Unsurprisingly, leaders in Tyne & Wear voted to make tackling poverty a priority campaign.*

Inspired by the Living Wage Movement, we knew increasing the number of real Living Wage Employers would make a tangible difference. But could we do it here? We had no universities or Local Authorities in our region accredited, and as large employers, these became our target.

Newcastle University declined our invitation to accredit, for two main reasons: they wanted to maintain independent control over pay scales and they believed they had good terms and conditions already. After all, they retained staff and didn't have any problems recruiting.

Deciding to act, leaders from Newcastle University and Tyne & Wear Citizens Action Team, launched a listening campaign, to hear directly from A, B and C grade staff whether they would want a Real Living Wage. They knew that workers' testimony would be the key to winning the campaign.

45 staff and students spoke to over 220 minimum wage workers at the University such as caterers, cleaners, porters, and gardeners. Many staff were struggling to get by on their pay, which was slightly above the government's Living Wage. People said that *'every month was a struggle to survive'*, or that they *'can't afford days out'*. A real Living Wage would enable people to start a family, eat decent food, pay their bills and live with dignity. Initially, workers were sceptical that anything would change, but were angry enough to get involved and challenge poverty pay. It was clear that this movement was galvanising people to take action, and regular meetings of over 50 people started to take place at the University.

As an institution with a strong commitment to social justice, the testimonies from the listening campaign were compelling. However, it looked like the executive team would vote to increase pay but not formally accredit with the Living Wage Foundation. By not accrediting, we couldn't know for sure that all contracted workers would receive a Real Living Wage. It also meant we weren't guaranteed a year-on-year commitment to paying a Living Wage as the independently calculated rates increased. This distinction is important, and we knew that formal accreditation would set a benchmark for the other Universities and employers in our region to follow, so we had to increase the pressure. Catering staff who served the executive meeting discussed writing personal notes on napkins alongside serving tea and coffee, and the threat of this action received a big response. Finally, the University agreed to formal accreditation.

The result of powerful first-hand accounts together with a unique partnership approach with university managers and workers made this a hugely successful campaign. In the end, it took 17 months for the University to accredit and award a pay rise to over 700 members of staff.

The win is not just fantastic for workers in the North East but will place important pressure on other local employers to follow suit. University worker and member of the campaign team, Julie Hounam, recently spoke at a Living Wage Parliamentary Reception about the difference it has made to her colleagues' lives. Julie is now chairing an Action Team at the university to tackle other issues raised through the listening campaign.

*In 2021, Newcastle University and Tyne & Wear Citizens won Campaign of the Year Award from the Living Wage Foundation. After much celebration we now move onto our next target – Sunderland University.*



*Newcastle University in collaboration with Tyne & Wear Citizens*

# Living Wage Foundation: 2020-21 headlines

Campaigns like the one targeting Newcastle University keep the Living Wage movement alive and rooted in communities, complementing the increasingly sophisticated approach we take to promoting and scaling up the Living Wage through our Living Wage Foundation. Despite the challenging circumstances for businesses because of the pandemic, we have continued to make significant strides in increasing the number of Living Wage accredited employers and building upon an expanding programme of activity to reduce in-work poverty.

Our business plan priorities remained to deepen our engagement with accredited employers; build our intelligence of the impact of the Living Wage and the barriers to adoption; expand our “diversification” programmes to tackle in-work poverty in the UK and beyond – including our Living Hours programme and Global Living Wage Initiative; and to use effective communications and campaigns work to mobilise and amplify the work of Living Wage advocates.

## Headline impact figures

- 1,650 new employers became Living Wage accredited last year, and we retained 94% of the network during the pandemic, taking us over 8,000 Living Wage Employers.
- New accreditations included employers in retail, hospitality, and other hard-hit industries. Household names committing to the Living Wage included Tate and Lyle Sugars, The All-England Lawn Tennis Club, the University of Cambridge, bp, Danone, Network Rail, Johnson Matthey Plc, TalkTalk, Abel and Cole and Capital One UK.
- Over 30,000 more people received pay rises through the Living Wage, with 15,000 in key worker industries, including 1,900 social care workers. There are now 340 key worker employers accredited. As a result, the campaign has now provided a pay rise to more than 275,000 people since it began.
- Aviva and abrdn became our first accredited Living Hours Employers in October 2020, with SSE, Datagraphic, and First Alliance Credit Union following suit in 2021, providing workers with further security of hours and shift patterns to add to a real Living Wage.
- We produced a range of research on the impact of low pay and the Living Wage including research on the prevalence and impact of insecure hours and the need for Living Hours; the scale and impact of low pay throughout the UK; and public support for the prioritisation of pay rises.

Our communications and campaigns work, in conjunction with our research and intelligence gathering, has led to over 3,000 mentions in national, local and trade media, with an estimated ad value equivalency of more than £6.6m. This includes coverage across all national newspapers and major broadcast outlets including BBC News, BBC Breakfast, C4, ITN and Sky News.

## Housing & Homelessness

It all started with Malachi Justin, a ten-year-old boy who became concerned about people sleeping rough in Ilford. When his first tooth fell out at the age of five, Malachi gave the £5 he got from the tooth fairy to Ilford Salvation Army, a member of TELCO Citizens, along with a note asking them to spend it on helping homeless people. This led to a local campaign that has seen a £5m centre built in Redbridge – Project Malachi – to house 42

single people experiencing homelessness, including those with no recourse to public funds. We owe a great deal to Captains John and Naomi Clifton, who have worked tirelessly to develop leaders with lived experience, such as Stephen Serrant. This local Community Organising success then grew national as we launched a Citizens UK partnership with the Salvation Army and Hill Group to deliver £12m worth of high-quality accommodation for people experiencing homelessness across the UK.

***"I can't believe this has actually happened and we have built a home for the homeless! I'm really happy that The Salvation Army used my money to do this. No one should have to sleep on the streets. Everyone should have a home. I'm still only ten but I know that homelessness is getting worse, but this shows there is something we can all do to help."***

***Malachi Justin***

In early 2021, this campaign to tackle homelessness was featured in a series of Citizens Housing Summit events alongside Citizens UK campaigns for permanently affordable housing through Community Land Trusts and for more genuinely affordable housing in new developments. We brought people experiencing the injustice of poor housing together with policymakers, MPs, Peers and the Secretary of State for Communities and Local Government, Robert Jenrick, to discuss solutions to housing and homelessness challenges across the UK.





# Keeping women & girls safe from hate crime

In March 2020, the Government instructed all police forces to record misogyny hate crime. This is a huge victory for the thousands of Citizens leaders that have led this work over the last five years, and it's a big step forward in our campaign to keep women and girls safer. The new developments mean:

- *All police forces are charged with recording and mapping hate crime against women.*
- *We can now understand better other forms of hate crime such as around race and religion and how it intersects with gender.*
- *Survivors of misogynistic hate have options outside the criminal justice system for redress.*



**Taj Khan, Tyne & Wear Citizens, and leader on misogyny hate crime and islamophobia said:**

***"We're over the moon the Government has listened to communities like mine and acknowledged misogyny hate crime. It is a significant step towards transforming the harmful attitudes that exist and making society safer for women and girls. This development will allow tracking and recording of misogynistic crimes so that patterns can be identified, and perpetrators can be accountable."***

This builds on our success last year in persuading the Law Commission to recommend that misogyny is formally classified as a category of hate crime and opens space for more local and national organising in the coming months.

This started like all our work does, with a local listening campaign. Nottingham Citizens led this in 2016, and from there it has grown into a national movement that is changing Government policy.

None of this would have happened without the courage of women and girls speaking up about their traumatic experiences and turning that private pain into a powerful, public call for change, alongside the thousands of local leaders in Citizens UK who are Community Organising; carrying out the UK's largest hate crime research project; taking public action; lobbying politicians and police forces and joining together in solidarity.

# 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 six organisational values into all aspects of the organisation.



2. **Staffing** – achieving a step-change in wellbeing, 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 undesignated unrestricted reserves to the current target of £600k; 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.



*During this reporting period, we have made steady progress against all the above-mentioned aims. To live and breathe our values, we have ensured our revised and newly developed policy and procedures are explicitly putting our values at its heart. Our staff meetings are always themed around one or more of our values where agenda items are specifically chosen to highlight how we are led by our values.*

The national lockdowns and global pandemic during the last 18 months shone a bright light on the importance of staff wellbeing. Although the management had already identified staff wellbeing as a top priority for the organisation, the national lockdowns meant that we could waste no time in taking steps to address this. We have signed up to a 24-hour Employee Assistance Programme, a confidential helpline for all employees to access support as and when needed. Furthermore, we have made it mandatory for all managers to include wellbeing discussions as part of their supervision meetings to ensure staff are looked after as best as possible and to refer them for further support as and when needed. However, the management acknowledges that this is a long-term commitment and requires further and sustained active engagement for it to have lasting impact.

In terms of staff attraction and retention, our two-year-long process of redesigning our entire human resource management approach was concluded. As a result, a transparent recruitment and promotion policies were drawn, clear career progression charts were designed, a performance appraisal system was introduced, and a cloud-based HR suite was launched. The HR system has enabled staff to access their personal information and payroll details; submit their leave requests; create and update personal and professional goals or objectives; and conduct periodical performance appraisals.

Lastly, the organisation has made significant strides to build on the financial success of previous years by not only improving operational liquidity but also building a resilient and robust financial control that can manage the organisation's growth and meets the ever-changing demand of our regulators, funders, and member institutions. As such, we have managed to significantly improve our cash position (standing at £1.8m at the year-end) and have added over £170K to our general reserves. This has all been achieved through the hard work of the Trustees, management and staff members.



## **CITIZENS UK CHARITY AND SUBSIDIARY OFFICERS AND PROFESSIONAL ADVISERS**

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

**Charity name** Citizens UK Charity  
**Working name** Citizens UK  
**Website** [www.citizensuk.org](http://www.citizensuk.org)

### **Members of the Board of Trustees**

Revd Canon Karen Rooms	Chair from 1 September 2020
Dr Kaneez Shaid	Leicester Citizens*
Saba Abid Shafi	Chair to 1 September 2020
Meriel Barclay	Resigned 31 August 2020
David Edward Canham	Treasurer*
Ranjit Sondhi OBE	CUK Birmingham*
Rt Hon John Dominic Battle	Leeds Citizens*
Noeleen Cohen	Vice-Chair
Revd Canon Sheila Bamber	North London Citizens*
James Pickering	Tyne & Wear Citizens*
Lindsay Jane Driscoll	Resigned 27 October 2020
Clive Foster	South London Citizens*
Dr Mahera Ruby	Appointed 17 August 2020
Sheikh Nuru Mohammed	Appointed 23 February 2021
Stuart Wright	Appointed 23 February 2021
Sally Rush	Appointed 9 September 2021
	Appointed 12 October 2021

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

**Company Secretary** Matthew Bolton

### **Key Management Personnel**

The following served for part or all of the year ended 31 March 2021:

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

## CITIZENS UK CHARITY AND SUBSIDIARY OFFICERS AND PROFESSIONAL ADVISERS

***Registered Office and  
Operational address***

136 Cavell Street  
London  
E1 2JA

***Registered Charity Number  
Registered Company Number***

1107264  
05268071

***Auditor*** Scrutton Bland LLP

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

***Bankers***

HSBC Bank PLC  
75 Whitechapel Road  
London  
E1 1DU

***Solicitors***

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



## **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 2021.

The legal and administrative information set out on pages 17 and 18 forms part of this report. Similarly, the Annual Report set out on pages 2 to 16 also forms part of this report. The Trustees confirm that the financial statements comply with current statutory requirements, the Memorandum and Articles of Association, and the Statement of Recommended Practice (SORP) Accounting and Reporting by Charities (issued in October 2019) and FRS102.

### ***Small company provisions***

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

### ***Our Aims and Objectives***

#### ***Purposes and Aims***

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

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

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

#### ***How Our Activities Deliver Public Benefit***

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

## **CITIZENS UK CHARITY AND SUBSIDIARY**

### **REPORT OF THE EXECUTIVE DIRECTOR AND TRUSTEE BOARD**

#### ***Financial Review***

##### ***Financial Performance***

CUK's total (consolidated) income for the year ended 31 March 2021 was £6.518m with expenditure totalling £5.631m, resulting in a surplus for the year of £887k. When added to the historic balances brought forward at the start of the year, our overall year-end reserves were £2,188k which will be applied to our charitable activities in the future. This figure comprises £806k of restricted funds and £1,382k of unrestricted funds, including those that have been internally designated.

##### ***Reserves Policy***

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

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

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

The present levels of reserves available to the Charity (at group level) of £590k falls slightly short of our target level of undesignated unrestricted funds. The strategy is therefore to continue to build reserves through planned operating surpluses.

##### ***Trustees' Indemnity Insurance***

The Charity took out an indemnity insurance to cover its Trustees for 2020/21. The premium for the year was circa £1,800.

#### ***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. A new set of Articles of Association was adopted at the CUK Annual meeting on 23rd February 2021.

## **CITIZENS UK CHARITY AND SUBSIDIARY**

### **REPORT OF THE EXECUTIVE DIRECTOR AND TRUSTEE BOARD**

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

#### **Membership**

##### ***CUK has two categories of membership:***

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

#### **Internal Governing Document**

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

##### ***1. Memorandum of Understanding***

- Internal document describing what a local chapter can expect to receive from CUK and what is expected of the Leadership Group.

##### ***2. Letter of Understanding***

- Internal document setting out what a Member Institution can expect to gain from membership of a CUK chapter and what they are expected to commit on their side.

##### ***3. Management Manual***

- Internal document that offers guidance to Leadership Groups about best practice in the operation of chapters, in relation to Trustees, organisers and the CUK Council.
- Details of the CUK governance.
- The legal duties of the Trustees to ensure chapters understand their responsibilities and to protect the whole organisation from regulatory and other risks.

## **CITIZENS UK CHARITY AND SUBSIDIARY**

### **REPORT OF THE EXECUTIVE DIRECTOR AND TRUSTEE BOARD**

#### ***Recruitment and Appointment of Board of Trustees***

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

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

#### ***Trustee Induction and Training***

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

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

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

An induction programme has been put in place based on the Code of Governance.

#### ***Risk Management***

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

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

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

#### ***Organisational Structure***

##### ***Trustees***

CUK has a Trustee board of up to 20 members who meet quarterly and are responsible for the strategic direction and policy of the Charity. The Board seeks to draw members from a variety of professional backgrounds relevant to the work of the Charity.

## ***CITIZENS UK CHARITY AND SUBSIDIARY REPORT OF THE EXECUTIVE DIRECTOR AND TRUSTEE BOARD***

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

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

### ***CUK Leadership Team***

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

### ***Chapters and Leadership Groups***

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

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

### ***Related Parties***

CUK includes its various regional Chapters, all of whom operate under its oversight and control.



## **CITIZENS UK CHARITY AND SUBSIDIARY REPORT OF THE EXECUTIVE DIRECTOR AND TRUSTEE BOARD**

### ***Statement of Trustees' responsibilities***

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in existence.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

### ***Auditor***

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

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

Signed for and on behalf of the Trustees:

Revd Canon Karen Rooms  
Chair of the Board of Trustees  
Approved by the Trustees on

*Karen Rooms*

27 January 2022 | 19:48 GMT

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

### ***Opinion***

We have audited the group and parent company financial statements of CUK Charity for the year ended 31 March 2021 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".

### ***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 2021 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***

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

# **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 and the Report of the Executive Director and Trustee Board other than the statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## ***Opinion on other matter prescribed by the Companies Act 2006***

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Executive Director and Trustee Board for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Executive Director and Trustee Board has been prepared in accordance with applicable legal requirements.

## ***Matters on which we are required to report by exception***

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the narrative reporting which comprises the Report of the Executive Director and Trustee Board, the Officers and Professional Advisers information and the Annual Report.

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

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

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

## ***Respective responsibilities of trustees and auditor***

As explained more fully in the trustees' responsibilities statement set out on page 24, 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 identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the trustees (as required by auditing standards), inspection of the Charitable Company's regulatory and legal correspondence and discussed with the trustees the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Charitable Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Charitable Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: safeguarding, employment law, health and safety and GDPR. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any.



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

### *Auditor's responsibilities for the audit of the financial statements (continued)*

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: enquiries of management and those charged with governance as to whether the charitable company complies with such regulations; enquiries of management and those charged with governance concerning any actual or potential litigation or claims, inspection of any relevant legal documentation, review of board minutes, testing the appropriateness of journal entries and the performance of analytical review to identify any unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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*

**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: 28/1/22



**CITIZENS UK CHARITY AND SUBSIDIARY  
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
GROUP INCOME AND EXPENDITURE ACCOUNT  
YEAR ENDED 31 MARCH 2021**

	<i>Notes</i>	<i>Unrestricted Funds 2021 £</i>	<i>Restricted Funds 2021 £</i>	<i>Total Funds 2021 £</i>	<i>Total Funds 2020 £</i>
<b><i>Income from:</i></b>					
Donations and legacies	4	<b>824,458</b>	<b>2,650,412</b>	<b>3,474,870</b>	2,998,278
Donations and grants in kind		<b>15,613</b>	-	<b>15,613</b>	23,808
Charitable activities:					
Membership dues		<b>1,002,158</b>	-	<b>1,002,158</b>	945,808
Training services		<b>52,272</b>	-	<b>52,272</b>	64,597
Other trading activities:					
Projects and other income		<b>1,973,086</b>	-	<b>1,973,086</b>	1,630,556
<b><i>Total income</i></b>		<b><u>3,867,587</u></b>	<b><u>2,650,412</u></b>	<b><u>6,517,999</u></b>	5,663,047
<b><i>Expenditure on:</i></b>					
Raising funds:	5				
Fundraising costs for grants and donations		<b>547,034</b>	-	<b>547,034</b>	524,158
Charitable activities:					
Capacity building for community organising		<b>3,051,353</b>	<b>2,032,554</b>	<b>5,083,907</b>	4,397,429
<b><i>Total expenditure</i></b>		<b><u>3,598,387</u></b>	<b><u>2,032,554</u></b>	<b><u>5,630,941</u></b>	4,921,587
<b><i>Net income for the year</i></b>	6, 7	<b>269,200</b>	<b>617,858</b>	<b>887,058</b>	741,460
<b><i>Balances brought forward at 1 April 2020</i></b>		<b>1,112,683</b>	<b>188,551</b>	<b>1,301,234</b>	559,774
<b><i>Balances carried forward at 31 March 2021</i></b>	18	<b><u>£ 1,381,883</u></b>	<b><u>£ 806,409</u></b>	<b><u>£ 2,188,292</u></b>	£ 1,301,234

See note 24 for the comparative consolidated statement of financial activities analysed by fund.

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 33 to 52 form part of these financial statements.

**CITIZENS UK CHARITY AND SUBSIDIARY  
GROUP AND COMPANY BALANCE SHEETS  
AS AT 31 MARCH 2021**

	Notes	The Group		The Company	
		2021 £	2020 £	2021 £	2020 £
<b>Fixed assets</b>					
Tangible assets	11	-	604	-	604
Investments 12		-	-	<b>100</b>	100
		<b>-</b>	<b>604</b>	<b>100</b>	<b>704</b>
<b>Current assets</b>					
Debtors	13	<b>1,045,518</b>	1,079,506	<b>984,034</b>	1,003,098
Cash and cash equivalents		<b>1,782,522</b>	914,754	<b>1,587,657</b>	773,874
		<b>2,828,040</b>	1,994,260	<b>2,571,691</b>	1,776,972
<b>Creditors: amounts falling due within one year</b>	14	<b>489,632</b>	617,426	<b>276,284</b>	400,238
<b>Net current assets</b>		<b>2,338,408</b>	1,376,834	<b>2,295,407</b>	1,376,734
<b>Total assets less current liabilities</b>		<b>2,338,408</b>	1,377,438	<b>2,295,507</b>	1,377,438
<b>Creditors: amounts falling due after one year</b>	15	<b>150,116</b>	76,204	<b>107,215</b>	76,204
<b>Net assets</b>		<b>£ 2,188,292</b>	£ 1,301,234	<b>£ 2,188,292</b>	£ 1,301,234
<b>Charity Funds</b>	18				
Unrestricted funds					
Designated funds		<b>791,548</b>	693,348	<b>791,548</b>	693,348
General funds		<b>590,335</b>	419,335	<b>590,335</b>	419,335
		<b>1,381,883</b>	1,112,683	<b>1,381,883</b>	1,112,683
<b>Restricted funds</b>		<b>806,409</b>	188,551	<b>806,409</b>	188,551
	17	<b>£ 2,188,292</b>	£ 1,301,234	<b>£ 2,188,292</b>	£ 1,301,234

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.

Revd Canon Karen Rooms  
Chair of the Board of Trustees

*Karen Rooms*

Company registration number: **05268071**

Charity registration number: **1107264**

27 January 2022 | 19:48 GMT

The notes on pages 33 to 52 form part of these financial statements

**CITIZENS UK CHARITY AND SUBSIDIARY  
STATEMENTS OF CHANGES IN EQUITY  
YEAR ENDED 31 MARCH 2021**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total £</b>
<b>Group</b>			
At 1 April 2019	<b>428,955</b>	<b>130,819</b>	<b>559,774</b>
Net income for the year	<b>683,728</b>	<b>57,732</b>	<b>741,460</b>
At 31 March 2020	<b>1,112,683</b>	<b>188,551</b>	<b>1,301,234</b>
Net income for the year	<b>269,200</b>	<b>617,858</b>	<b>887,058</b>
At 31 March 2021	<b>£ 1,381,883</b>	<b>£ 806,409</b>	<b>£ 2,188,292</b>

	<b>Unrestricted Funds £</b>	<b>Funds £</b>	<b>Restricted Total £</b>
<b>Charity</b>			
At 1 April 2019	<b>428,955</b>	<b>130,819</b>	<b>559,774</b>
Net income for the year	<b>683,728</b>	<b>57,732</b>	<b>741,460</b>
At 31 March 2020	<b>1,112,683</b>	<b>188,551</b>	<b>1,301,234</b>
Net income for the year	<b>269,200</b>	<b>617,858</b>	<b>887,058</b>
At 31 March 2021	<b>£ 1,381,883</b>	<b>£ 806,409</b>	<b>£ 2,188,292</b>

The notes on pages 33 to 52 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 2021**

		<i>The Group</i>		<i>The Company</i>	
	<i>Note</i>	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>
		<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
<b><i>Cash flows from operating activities</i></b>	18				
Net movement in funds		<b>887,058</b>	741,460	<b>887,058</b>	741,460
Depreciation of tangible assets		<b>604</b>	2,886	<b>604</b>	2,886
Interest costs (FRS 102 pension)		<b>20,187</b>	21,748	<b>20,187</b>	21,748
Decrease in debtors		<b>33,988</b>	426,030	<b>19,064</b>	257,968
Decrease in creditors		<b>(53,882)</b>	(517,845)	<b>(92,943)</b>	(452,821)
<b><i>Net cash generated from operating activities</i></b>		<b>887,955</b>	674,279	<b>833,970</b>	571,241
<b><i>Cash flows from investing activities</i></b>					
Loss on disposal of tangible fixed assets		-	3,125	-	-
<b><i>Net cash generated from investing activities</i></b>		-	3,125	-	-
<b><i>Cash flows from financing activities</i></b>					
Interest costs (FRS 102 pension)		<b>(20,187)</b>	(21,748)	<b>(20,187)</b>	(21,748)
<b><i>Net cash used in financing activities</i></b>		<b>(20,187)</b>	(21,748)	<b>(20,187)</b>	(21,748)
<b><i>Increase in cash and cash equivalents in the year</i></b>		<b>867,768</b>	655,656	<b>813,783</b>	549,493
<b><i>Cash and cash equivalents brought forward</i></b>		<b>914,754</b>	259,098	<b>773,874</b>	224,381
<b><i>Cash and cash equivalents carried forward</i></b>	23	<b>£ 1,782,522</b>	£ 914,754	<b>£ 1,587,657</b>	£ 773,874

The notes on pages 33 to 52 form part of these financial statements

## **CITIZENS UK CHARITY AND SUBSIDIARY NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2021**

### **1 GENERAL INFORMATION**

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

### **2 ACCOUNTING POLICIES**

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

#### ***Basis of accounting***

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

The financial statements include the result of the Company and its wholly owned subsidiary, Centre for Civil Society Limited (Company number: 07333734) made up to 31 March 2021. 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***

The group and charity have been affected by certain restrictions imposed on its activities during the year relating to the spread of coronavirus. The impact of the virus will continue to have an effect on the economy during 2021 and it is therefore difficult to evaluate all of the potential implications on the group's activities, its suppliers and the wider economy.

However, having reviewed the charity and group forecasts and projections, the Trustees have a reasonable expectation that there are adequate resources to continue in operational existence for the foreseeable future. The entity therefore continues to adopt the going concern basis in preparing its own and consolidated financial statements.

#### ***Consolidation***

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



## **CITIZENS UK CHARITY AND SUBSIDIARY NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2021**

### **2 ACCOUNTING POLICIES - (continued)**

#### ***Fund accounting***

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

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

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

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

#### ***Income***

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

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

Income from investments is included when receivable.

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

#### ***Expenditure***

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

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

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

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

## **CITIZENS UK CHARITY AND SUBSIDIARY NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2021**

### **2 ACCOUNTING POLICIES - (continued)**

#### ***Tangible fixed assets and depreciation***

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

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

#### ***Operating leases***

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

#### ***Investments***

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

#### ***Cash and cash equivalents***

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

#### ***Pension costs***

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

#### ***Financial instruments***

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

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

**CITIZENS UK CHARITY AND SUBSIDIARY  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2021**

**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 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 2021

### 4 INCOME FROM DONATIONS AND LEGACIES

	<i>Unrestricted Funds 2021 £</i>	<i>Restricted Funds 2021 £</i>	<i>Total Funds 2021 £</i>	<i>Total Funds 2020 £</i>
Analysis by activity:				
Advisory and support services	<b>£ 824,458</b>	<b>£ 2,650,412</b>	<b>£ 3,474,870</b>	£ 2,998,278
This can be further analysed as:				
38 Degrees	-	-	-	10,000
Action in Caerau and Ely	-	<b>12,000</b>	<b>12,000</b>	12,000
Big Lottery Fund	-	<b>956,141</b>	<b>956,141</b>	479,712
Birmingham Chamber of Commerce	-	-	-	18,576
Bradford Metropolitan District Council	-	-	-	50,000
Caritas Westminster	-	-	-	10,000
City Bridge Trust	-	<b>115,600</b>	<b>115,600</b>	-
Climate Change Collaboration	-	<b>165,000</b>	<b>165,000</b>	-
Comic Relief	-	<b>138,196</b>	<b>138,196</b>	24,848
East London Citizens CLT	-	-	-	40,000
Fawcett Society	-	<b>39,375</b>	<b>39,375</b>	39,375
Frontline	-	-	-	29,719
Groundwork UK	-	-	-	66,074
Guys and St Thomas' Charity	-	<b>138,275</b>	<b>138,275</b>	113,507
John Ellerman Foundation	-	<b>38,926</b>	<b>38,926</b>	-
Joseph Rowntree Foundation	-	<b>178,375</b>	<b>178,375</b>	110,475
Joseph Rowntree Reform Trust	-	<b>41,952</b>	<b>41,952</b>	64,770
London South Bank University	-	-	-	9,927
London Sustainability Exchange	-	-	-	10,000
M K Community Foundation	-	-	-	4,500
National Environment Research	-	-	-	13,825
Nesta	-	<b>23,350</b>	<b>23,350</b>	88,350
NHS South East London CCG	-	<b>65,000</b>	<b>65,000</b>	-
Oak Foundation	<b>300,000</b>	-	<b>300,000</b>	399,839
Oxfam GB	-	-	-	20,000
Paul Hamlyn Foundation	-	<b>100,000</b>	<b>100,000</b>	80,000
People's Health Trust - PHT	-	<b>67,316</b>	<b>67,316</b>	32,419
Peterborough City Council	-	<b>52,500</b>	<b>52,500</b>	52,500
Porticus UK	-	<b>126,993</b>	<b>126,993</b>	29,667
Reset Communities and Refugees Ltd	-	-	-	10,000
South London and Maudsley NHS Foundation Trust	-	<b>71,450</b>	<b>71,450</b>	-
Southwark Council and NHS Southwark CCG	-	-	-	40,000
The Barrow Cadbury Trust	-	-	-	12,500
Carried forward	<b>300,000</b>	<b>2,330,449</b>	<b>2,630,449</b>	1,093,483

**CITIZENS UK CHARITY AND SUBSIDIARY  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2021**

**4 INCOME FROM DONATIONS AND LEGACIES – (continued)**

	<i>Unrestricted Funds 2021 £</i>	<i>Restricted Funds 2021 £</i>	<i>Total Funds 2021 £</i>	<i>Total Funds 2020 £</i>
Brought forward	<b>300,000</b>	<b>2,330,449</b>	<b>2,630,449</b>	1,093,483
Trust for London	-	<b>46,250</b>	<b>46,250</b>	211,000
Unbound Philanthropy	-	<b>90,000</b>	<b>90,000</b>	90,000
Volant Charitable Trust	-	<b>62,500</b>	<b>62,500</b>	252,000
Other donations	<b>524,458</b>	<b>121,213</b>	<b>636,421</b>	572,695
<b><i>Total grants and donations</i></b>	<b><u>£ 824,458</u></b>	<b><u>£ 2,650,412</u></b>	<b><u>£ 3,474,870</u></b>	<b><u>£ 2,998,278</u></b>

Restricted funds received above total £2,650,412 (2020: £2,697,516).



## CITIZENS UK CHARITY AND SUBSIDIARY NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2021

### 5 EXPENDITURE

	<i>Fund-raising</i> 2021 £	<i>Community organising</i> 2021 £	<i>Governance</i> 2021 £	<i>Total</i> 2021 £	<i>Total</i> 2020 £
<b>Costs directly allocated to activities</b>					
Grants paid	-	108,300	-	108,300	51,500
Staff related costs	547,034	3,048,161	67,842	3,663,047	3,181,445
Project costs	-	451,314	-	451,314	611,986
<b>Support costs allocated to activities</b>					
Staff training, recruitment and DBS checks	-	55,813	-	55,813	65,405
Premises costs	-	200,760	-	200,760	194,251
Postage, printing and stationery	-	64,190	-	64,190	67,032
Travelling, subsistence and hospitality	-	18,890	-	18,890	152,251
Equipment leasing	-	36,598	-	36,598	27,783
IT and communication costs	-	162,299	-	162,299	95,078
Auditor's fees	-	-	16,625	16,625	15,950
Legal, professional and accountancy fees	-	-	136,166	136,166	37,858
Depreciation	-	604	-	604	2,886
Doubtful debts	-	253,120	-	253,120	238,260
Other expenses	-	443,038	-	443,038	158,154
Pension deficit costs	-	20,187	-	20,187	21,748
<b>Total expenditure</b>	<b>£ 547,034</b>	<b>£ 4,863,274</b>	<b>£ 220,633</b>	<b>£ 5,630,941</b>	<b>£ 4,921,587</b>

Restricted expenditure above totals £2,032,554 (2020 : £2,639,784).

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

	<i>2021</i> £	<i>2020</i> £
This is stated after charging:		
Depreciation of tangible fixed assets	604	2,886
Operating lease rentals - land and buildings	127,520	88,300
Operating lease rentals - other	28,150	18,317
Auditor's remuneration - audit	16,200	15,550
Auditor's remuneration - other services	425	400

## CITIZENS UK CHARITY AND SUBSIDIARY NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2021

### 7 NET INCOME OF THE PARENT UNDERTAKING

	2021	2020
Net income for the year of Citizens UK Charity	<b>£ 887,058</b>	£ 741,460

### 8 STAFF COSTS AND NUMBERS

	2021 £	2020 £
Staff costs (including those recharged) were as follows:		
Salaries	<b>3,057,407</b>	2,670,911
Social security costs	<b>311,167</b>	265,041
Pension costs	<b>281,882</b>	245,493
	<b>£ 3,650,456</b>	£ 3,181,445

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

	2021 Number	2020 Number
In the band £60,000 - £70,000	<b>2</b>	-
In the band £70,000 - £80,000	<b>1</b>	3
In the band £80,000 - £90,000	<b>1</b>	-
In the band £90,000 - £100,000	-	1
In the band £110,000 - £120,000	<b>1</b>	-
	<b>5</b>	4

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 £359,774 (2020 : £351,682).

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

	2021 Number	2020 Number
Executive Director and Lead Organiser	<b>1</b>	1
Community Organisers	<b>64</b>	53
Directors	<b>2</b>	2
Managers	<b>6</b>	5
Administrators	<b>12</b>	8
Cleaner	<b>1</b>	1
	<b>86</b>	70

## CITIZENS UK CHARITY AND SUBSIDIARY NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2021

### 9 TRUSTEE REMUNERATION AND EXPENSES

No Trustee received any remuneration during the year. Travel expenses of £Nil (2020: £1,922) were reimbursed to none of (2020 : five) 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

	<i>Leasehold improvements</i> £	<i>Office and IT equipment</i> £	<i>Total</i> £
<b><i>The company and group</i></b>			
<b><i>Cost</i></b>			
At 31 March 2020 and 31 March 2021	<b>4,078</b>	<b>19,397</b>	<b>23,475</b>
<b><i>Depreciation</i></b>			
At 1 April 2020	<b>4,078</b>	<b>18,793</b>	<b>22,871</b>
Charge for the year		<b>604</b>	<b>604</b>
At 31 March 2021	<b>4,078</b>	<b>19,397</b>	<b>23,475</b>
<b><i>Net book value</i></b>			
At 31 March 2021	<b>£ -</b>	<b>£ -</b>	<b>£ -</b>
At 31 March 2020	<b>£ -</b>	<b>£ 604</b>	<b>£ 604</b>

*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 2021**

### **12 FIXED ASSET INVESTMENTS**

	<b>2021</b> <b>£</b>	<b>2020</b> <b>£</b>
<b><i>The company</i></b>		
Shares in subsidiary undertakings	<b>100</b>	100

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**

	<b>2021</b> <b>£</b>	<b>2020</b> <b>£</b>
<b><i>The company</i></b>		
Accounts receivable	<b>196,718</b>	470,980
Accrued grants receivable	<b>503,834</b>	33,825
Amounts owed by group undertakings	<b>274,914</b>	448,508
Prepayments	<b>8,568</b>	49,785
	<b>£ 984,034</b>	£ 1,003,098

<b><i>The group</i></b>		
Accounts receivable	<b>533,116</b>	995,896
Accrued grants receivable	<b>503,834</b>	33,825
Prepayments	<b>8,568</b>	49,785
	<b>£ 1,045,518</b>	£ 1,079,506

## CITIZENS UK CHARITY AND SUBSIDIARY NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2021

### 14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
<i>The company</i>		
Accounts payable	32,434	120,048
Other creditors	208,476	152,389
Accruals	12,000	12,000
Pension deficit accrual	16,275	15,801
Loan account	7,099	100,000
	£ 276,284	£ 400,238
<i>The group</i>		
Accounts payable	130,265	120,048
Social security and other taxation	63,839	65,039
Other creditors	242,796	262,603
Accruals	22,259	52,685
Deferred income	-	1,250
Pension deficit accrual	16,275	15,801
Loan account	14,198	100,000
	£ 489,632	£ 617,426

### 15 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021 £	2020 £
<i>The company</i>		
Pension deficit accrual	64,314	76,204
Loan account	42,901	
	£ 107,215	£ 76,204
<i>The group</i>		
Pension deficit accrual	64,314	76,204
Loan account	85,802	
	£ 150,116	£ 76,204

**CITIZENS UK CHARITY AND SUBSIDIARY  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2021**

**16 GRANTS RECEIVED IN ADVANCE (DEFERRED INCOME)**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<i>The group and the company</i>		
Deferred at 1 April 2020	-	298,738
Released to Statement of Financial Activities	-	(298,738)
Received and deferred in the year	-	-
	<u>          </u>	<u>          </u>
Deferred at 31 March 2021	<b>£ -</b>	<b>£ -</b>
	<u>          </u>	<u>          </u>

**17 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<i>The company</i>			
Fixed asset investments	<b>100</b>	-	<b>100</b>
Net current assets	<b>1,488,998</b>	<b>806,409</b>	<b>2,295,407</b>
Long term liabilities	<b>(107,215)</b>	-	<b>(107,215)</b>
	<u>          </u>	<u>          </u>	<u>          </u>
	<b>£ 1,381,883</b>	<b>£ 806,409</b>	<b>£ 2,188,292</b>
	<u>          </u>	<u>          </u>	<u>          </u>
<i>The group</i>			
Net current assets	<b>1,531,999</b>	<b>806,409</b>	<b>2,338,408</b>
Long term liabilities	<b>(150,116)</b>	-	<b>(150,116)</b>
	<u>          </u>	<u>          </u>	<u>          </u>
	<b>£ 1,381,883</b>	<b>£ 806,409</b>	<b>£ 2,188,292</b>
	<u>          </u>	<u>          </u>	<u>          </u>



# CITIZENS UK CHARITY AND SUBSIDIARY NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2021

## 18 MOVEMENT IN FUNDS

<i>The group</i>	<i>At 1 April 2020 £</i>	<i>Incoming resources £</i>	<i>Outgoing resources £</i>	<i>Transfers £</i>	<i>At 31 March 2021 £</i>
<b><i>Unrestricted funds:</i></b>					
Designated funds	693,348	<b>3,696,587</b>	<b>(3,598,387)</b>	-	<b>791,548</b>
General funds	419,335	<b>171,000</b>	-	-	<b>590,335</b>
<b><i>Total unrestricted funds</i></b>	<b>£ 1,112,683</b>	<b>£ 3,867,587</b>	<b>£ (3,598,387)</b>	<b>£ -</b>	<b>£ 1,381,883</b>
<b><i>Restricted funds:</i></b>					
Birmingham Citizens	9,000	<b>150,282</b>	<b>(139,975)</b>	-	<b>19,307</b>
Brighton	-	<b>64,990</b>	<b>(30,864)</b>	-	<b>34,126</b>
Essex	20,490	<b>49,360</b>	<b>(56,752)</b>	-	<b>13,098</b>
Leicester	4,898	<b>49,218</b>	<b>(45,418)</b>	-	<b>8,698</b>
Liverpool	-	<b>24,500</b>	<b>(12,895)</b>	-	<b>11,605</b>
Living Wage	-	<b>247,937</b>	<b>(247,937)</b>	-	-
London Citizens	10,480	<b>348,581</b>	<b>(106,751)</b>	-	<b>252,310</b>
Nottingham Citizens	-	<b>122,997</b>	<b>(93,270)</b>	-	<b>29,727</b>
PACT	38,303	<b>468,642</b>	<b>(422,947)</b>	-	<b>83,998</b>
Peterborough	14,043	<b>52,500</b>	<b>(44,547)</b>	-	<b>21,996</b>
Preston	30,500	<b>10,000</b>	<b>(27,263)</b>	-	<b>13,237</b>
Refugee Welcome	48,000	<b>317,215</b>	<b>(263,810)</b>	-	<b>101,405</b>
Somerset	589	<b>25,777</b>	<b>(24,697)</b>	-	<b>1,669</b>
Thames Valley	-	<b>119,453</b>	<b>(90,487)</b>	-	<b>28,966</b>
Tyne Citizens	10,640	<b>90,802</b>	<b>(91,813)</b>	-	<b>9,629</b>
Wales	-	<b>316,476</b>	<b>(266,629)</b>	-	<b>49,847</b>
West London Citizens	1,608	<b>191,682</b>	<b>(66,499)</b>	-	<b>126,791</b>
<b><i>Total restricted funds</i></b>	<b>£ 188,551</b>	<b>£ 2,650,412</b>	<b>£ (2,032,554)</b>	<b>£ -</b>	<b>£ 806,409</b>
<b><i>Total funds</i></b>	<b>£ 1,301,234</b>	<b>£ 6,517,999</b>	<b>£ (5,630,941)</b>	<b>£ -</b>	<b>£ 2,188,292</b>

## **CITIZENS UK CHARITY AND SUBSIDIARY NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2021**

### **18 MOVEMENT IN FUNDS – (continued)**

#### ***Purpose of funds***

In respect of the more material funds:

- Designated funds relate to the following:
  - Living Wage Foundation work, £428,998 (2020: £693,348);
  - Head Office costs, £112,500 (2020: £nil); and
  - Other core services, £250,000 (2020: £nil)
- All restricted grants referring to 'organiser' or regional locations represent funding for community organisers in the areas shown, or for the projects named in the relevant areas.
- The Refugee Welcome project is primarily focused on sponsoring refugees and is mainly funded by the Sponsor Refugees Foundation.

### **19 PENSION COMMITMENTS (THE GROUP AND THE COMPANY)**

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

## **CITIZENS UK CHARITY AND SUBSIDIARY NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2021**

### **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 £80,589 has been recognised at 31 March 2021 (2020 : £92,005) in respect of the deficit repayments that the company is liable to meet. This represents amounts falling due both within, and after, one year.

At the year end there were outstanding contributions amounting to £Nil (2020: £Nil).

**CITIZENS UK CHARITY AND SUBSIDIARY  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2021**

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

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

As a result of the materiality of the balance, it has been necessary to discount this. Based on a discount rate of 3.5%, the effect of discounting the pension deficit over the remaining life of the repayment plan will be to reduce the total liability by £7,822.

**20 LEASING COMMITMENTS (THE GROUP AND THE COMPANY)**

At 31 March 2021 the group and the company had total commitments under non-cancellable operating leases as set out below:

	<i>Land and buildings 2021 £</i>	<i>Other 2021 £</i>	<i>Land and buildings 2020 £</i>	<i>Other 2020 £</i>
<b>Operating leases which expire:</b>				
Not later than one year	<b>127,520</b>	<b>14,236</b>	127,520	28,150
Later than one year and not later than five years	<b>120,015</b>	<b>13,702</b>	240,035	15,977
Later than five years	<b>1,250</b>	-	8,750	-
	<b>£ 248,785</b>	<b>£ 27,938</b>	£ 376,305	£ 44,127

## CITIZENS UK CHARITY AND SUBSIDIARY NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2021

### 21 SUBSIDIARY UNDERTAKING – CENTRE FOR CIVIL SOCIETY LIMITED

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

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

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

During 2020/21 financial year most income received by CfCS related to Living Wage Accreditation income from Living Wage Employers.

	2021 £	2020 £
Income	1,971,253	1,665,557
Expenditure	(544,847)	607,785
<b>Result for the year</b>	<b>£ 1,426,406</b>	<b>£ 1,057,772</b>
	2021 £	2020 £
Summary balance sheet:		
Current assets	531,263	665,795
Current liabilities	(488,262)	(665,695)
Long term liabilities	(42,901)	-
<b>Net assets</b>	<b>£ 100</b>	<b>£ 100</b>
Share capital	100	100
	<b>£ 100</b>	<b>£ 100</b>

**CITIZENS UK CHARITY AND SUBSIDIARY  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2021**

**22 FINANCIAL INSTRUMENTS**

	<i>The Group</i>		<i>The Company</i>	
	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>
	<i>£</i>		<i>£</i>	<i>£</i>
<b><i>Financial assets</i></b>				
Financial assets measured at the transaction price	<b><u>£ 1,036,949</u></b>	<u>£ 1,029,721</u>	<b><u>£ 975,465</u></b>	<u>£ 953,313</u>
	<u>==</u>	<u>==</u>	<u>==</u>	<u>==</u>
<b><i>Financial liabilities</i></b>				
Financial liabilities measured at the transaction price	<b>252,523</b>	272,733	<b>82,434</b>	220,038
Financial liabilities measured at fair value	<b>80,589</b>	92,005	<b>80,589</b>	92,005
	<u>£ 333,112</u>	<u>£ 364,738</u>	<u>£ 163,023</u>	<u>£ 312,043</u>
	<u>==</u>	<u>==</u>	<u>==</u>	<u>==</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 and other creditors.

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 2021**

**23 ANALYSIS OF CHANGES IN NET DEBT**

	<i>Balance at 1 April 2020 £</i>	<i>Cash flows £</i>	<i>Other non-cash changes £</i>	<i>Balance at 31 March 2021 £</i>
<b><i>The group</i></b>				
Bank and cash balances	914,754	867,768	-	1,782,522
Loan balance	(100,000)	-	-	(100,000)
	<b><u>£ 814,754</u></b>	<b><u>£ 867,768</u></b>	<b><u>£ -</u></b>	<b><u>£ 1,682,522</u></b>
<b><i>The company</i></b>				
Bank and cash balances	773,874	813,783	-	1,587,657
Loan balance	(100,000)	50,000	-	(50,000)
	<b><u>£ 673,874</u></b>	<b><u>£ 863,783</u></b>	<b><u>£ -</u></b>	<b><u>£ 1,537,657</u></b>

**CITIZENS UK CHARITY AND SUBSIDIARY  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2021**

**24 CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
YEAR ENDED 31 MARCH 2020**

	<i>Unrestricted Funds 2020</i>	<i>Restricted Funds 2020</i>	<i>Total Funds 2020</i>
	<i>£</i>	<i>£</i>	<i>£</i>
<b><i>Income from:</i></b>			
Donations and legacies	300,762	2,697,516	2,998,278
Donations and grants in kind	23,808	-	23,808
Charitable activities:			
Membership dues	945,808	-	945,808
Training services	64,597	-	64,597
Other trading activities:			
Projects and other income	1,630,556	-	1,630,556
	<hr/>	<hr/>	<hr/>
<b><i>Total income</i></b>	<b>2,965,531</b>	<b>2,697,516</b>	<b>5,663,047</b>
	<hr/>	<hr/>	<hr/>
<b><i>Expenditure on:</i></b>			
Raising funds:			
Fundraising costs for grants and donations	524,158	-	524,158
Charitable activities:			
Capacity building for community organising	1,757,645	2,639,784	4,397,429
	<hr/>	<hr/>	<hr/>
<b><i>Total expenditure</i></b>	<b>2,281,803</b>	<b>2,639,784</b>	<b>4,921,587</b>
	<hr/>	<hr/>	<hr/>
<b><i>Net income/(expenditure) for the year</i></b>	<b>683,728</b>	<b>57,732</b>	<b>741,460</b>
<b><i>Balances brought forward at 1 April 2019</i></b>	<b>428,955</b>	<b>130,819</b>	<b>559,774</b>
	<hr/>	<hr/>	<hr/>
<b><i>Balances carried forward at 31 March 2020</i></b>	<b>£ 1,112,683</b>	<b>£ 188,551</b>	<b>£ 1,301,234</b>
	<hr/>	<hr/>	<hr/>