

COMPANY NO. 2351363



Citizenship Foundation

THE CITIZENSHIP FOUNDATION

ANNUAL REPORT AND FINANCIAL STATEMENTS

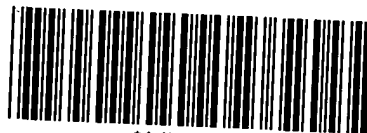
FOR THE YEAR ENDED

31 MARCH 2015

(A company limited by guarantee and not having a share capital)

Registered Charity No. 801360

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	Page
Trustees and Advisers	2
Report of the Trustees	3 - 12
Report of the Independent Auditors	13 - 14
Statement of Financial Activities	15
Balance Sheet	16
Accounting Policies	17 - 18
Notes to the Financial Statements	19 - 26

THE CITIZENSHIP FOUNDATION**TRUSTEES AND ADVISORS**

President	Andrew Phillips OBE
Trustees	
Chair	Martin Bostock
	Christopher Kinch QC (resigned 29 January 2015) Paul Adamson Elisabeth Baraka Zachary Bennetts Oliver Benson (resigned 29 January 2015) David Bromfield (resigned 29 January 2015) Harinder Mann (resigned 2 March 2015) Farzana Hakim Nick Johnson (Honorary Treasurer) David Miles Elizabeth Moore Susan Simmonds (Vice Chair) Emma-Jane Watchorn Laura Wood
Chief Executive	Andy Thornton
Company Secretary	Susan Simmonds
Charity Registration No	801360
Company No	2351363
Registered Office	First Floor, 50 Featherstone Street London EC1Y 8RT
Bankers	Barclays Bank PLC Hatton Garden Business Centre 99 Hatton Garden London EC1N 8DN
Solicitors	Bates, Wells & Braithwaite Scandinavian House 2-6 Cannon Street London EC4M 6YH
Statutory Auditors	PKF Littlejohn LLP Statutory Auditors 1 Westferry Circus Canary Wharf London E14 4HD

INTRODUCTION

The Trustees have pleasure in presenting their report for the year ended 31 March 2015. The Trustees have complied with the Statement of Recommended Practice, Accounting and Reporting by Charities (2005) and applicable United Kingdom Accounting and Financial Reporting Standards.

Reference and Administrative Information

The Citizenship Foundation is a registered charity under the Charities Act 1993, charity number 801360, and a registered company limited by guarantee. It is governed by its Memorandum of Association dated 14 February 1989 and amended Articles of Association which were adopted on 27 March 2003.

The government of the Foundation is vested in the Trustees appointed under the Memorandum and Articles. The day-to-day organisation of the Foundation is delegated to the Chief Executive.

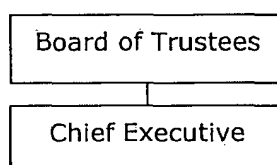
Details of the Trustees, who are also the directors and members of the Company, who served during the year are set out on page 2.

The principal place of business and professional advisors of the Charity are set out on page 2.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational Structure

The organisation's structure is best presented as laid out below:



The Trustees consider that the above structure is appropriate for the charity's activities, and also reduces the charity's central costs.

Governance

The governing body of the charity is the Board of Trustees, the members of which are listed on page 2. Unless indicated otherwise, all served throughout the year. The Board must consist of a minimum of three members but there is no maximum number. The method for the recruitment and appointment of Trustees involves a skills audit and review, and a combination of active search and open advertisement.

The induction and training procedures for Trustees are as follows: new Trustees are invited to attend a Board meeting as observers before confirming that they will take up their appointment; they are supplied with a copy of the Charity Commission's guide to being a trustee and the core constitutional and strategic documents relating to the Foundation and its work; the activities of the Foundation are presented to new Trustees by members of staff within a reasonable time after appointment and Trustees are periodically invited to consider and notify the Chair if there is any particular training or experience from which they would benefit so as to help them fulfil their responsibilities to the Foundation.

Trustees are encouraged to join joint staff-trustee working groups and, during the course of the year, have identified particular areas of activity that they are keen to participate in. A Remuneration Committee agrees the level of the Chief Executive's remuneration, keeps under review the salaries of senior staff members and agrees the cost of living enhancements for staff as per the recommendation of the Chief Executive, within the annual budget process. A finance sub-committee reviews the organisational budget and closely monitors the Charity's financial performance.

Management

The Board is responsible for setting strategies and policies for the Charity and for ensuring that these are implemented. The day to day running of the Charity is delegated to the Chief Executive and his staff. The Chief Executive is responsible for the implementation of policies and strategies on behalf of the Board. The Chief Executive works with the Management Team to implement the policies and procedures.

Risk Management

The Trustees have examined the principal areas of the Foundation's operations and considered the major risks in each of these areas.

In the opinion of the Trustees, the Foundation has a review system and allocated sufficient resources to ensure those risks identified have been mitigated to a level acceptable for the Foundation's day to day operations.

OBJECTIVES AND ACTIVITIES**Objectives**

The main object of the Charity, as stated in its Memorandum of Association, is to promote good citizenship for the public benefit and for that purpose to advance the active understanding of law and politics, religion and morals, commerce, industry, the arts, ecology, sociology, and any other subjects insofar as they are likely to be conducive to good citizenship.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Foundation's aims and objectives and in planning future activities.

Vision

The Citizenship Foundation is an independent education and participation charity which exists to encourage and enable individuals to play an effective role in democratic society.

Our vision is for a fair, inclusive and cohesive society. We want a democracy in which people have the knowledge, skills, and confidence to take part and drive change as effective citizens, both as individuals and as communities.

Mission

We work to build wider understanding of citizenship and to give people the experience and skills they need to play an active part in society.

We support individuals, groups and institutions in shaping a vibrant democracy, a fair and widely understood justice system, and a caring, robust civil society.

We believe it is our role to campaign for this kind of society.

We work towards our vision by:

- Giving young people and those at the edges of society the information they need to understand the political, legal and economic structures of this country (and further afield). We do this through our commitment to Citizenship Education in schools and colleges.
- Giving individual people and communities the skills and opportunities to participate effectively. We do this through projects which encourage volunteering, charitable giving, political action and more.
- Upholding the principles of democracy, justice and human rights in everything we do and the way that we work.

REVIEW OF THE YEAR

This year saw the 25th Anniversary of the founding of the Citizenship Foundation. This was celebrated with a gathering at the Law Society, looking back over our achievements and forwards into the future. We celebrated selling 1.4 million books, giving 200,000 teenagers a formative experience in court-based mock trials, placing 5,000 legal professionals in schools, helping students raise £2 million for their chosen charities, engaging 50,000 registered primary teachers, putting materials in 80% of secondary schools and exporting our ideas to over 50 countries. Most of all we applauded the Foundation's role in establishing citizenship education as a statutory subject across the nation's secondary schools.

2014 - 15

This has been the second year of our Strategic Plan 2013 - 2016 in which we identified our objectives as follows:

1. ***"To raise belief in democratic participation amongst younger people losing hope in the political system"***
2. ***"To communicate the value and relevance of citizenship such that its provision is integrated across the life of the school"***
3. ***"To be the first port of call for schools looking for activities that support their delivery of education for citizenship"***

Following a review of priorities at the end of the previous Financial Year the Board decided to focus on the second and third priorities in schools, with the first being implicit in that work.

Schools and citizenship education

During the year there was little change in the government's support for citizenship education – it remained tacit in that the subject is in the National Curriculum but ineffectual in that no mention of its value came from the Department for Education [DfE]. As such we continue to trace a drop in the delivery of the subject as an explicit and effective vehicle for democratic engagement.

However during the year the DfE began greater rhetoric around two themes that we recognise to be related to citizenship education: 'British Values' and 'Character Education'. The former is essentially a short-cut phrase for the British settlement around democratic values and the latter contains an element of 'civic character' in its formulation, supporting young people to develop a capability to act on their obligations to wider society as well as their own interests. By the end of the year Ofsted had developed an inspection element within Spiritual, Moral Social and Cultural development (SMSC) that would review a school's delivery of British Values education, which contained many elements of the citizenship curriculum. The result was that schools (be they Academies or State Maintained) now perceive the need to deliver some core components of citizenship in order to achieve good reports from Ofsted. However, many schools have let go of some of the staff with skills to guarantee this reinforcing the need for our second strategic priority: to remind school leaders why citizenship is still both valuable and effective.

Our policy work continued to operate to this end. As part of two coalitions to stimulate greater youth led social action ('Step up to Serve' and 'Generation Change') we supported approaches to education Ministers to persuade them to include community based action in the new GCSE for citizenship and in schools' extracurricular activities. This had some success in that a community action component will be assessed but the new qualification is much less active than the previous incarnation of the GCSE, making it easier for schools to teach GCSE without a formative social action element. Anecdotally many teachers tell us that this has led to their school dropping delivery of citizenship by staff specifically qualified for the subject. This has a knock-on effect of the subject being delivered without conviction.

As a charity founded to cultivate a civic culture where young people are educated and encouraged to participate in good citizenship we are therefore disappointed that many of the gains of the previous ten years are being lost. This is happening despite the government's recognition of its importance in other aspects of our national life: they just don't see its value in the educational mix, where the focus has shifted to the primacy of academic attainment.

This disappointing development means that our purpose is still highly pertinent, but our methods of achieving it cannot be those of a previous era.

That decline of government support has seen the end of funding for Go-Givers and Giving Nation – two highly successful projects instigated by funding from Westminster – which ended at the end of this financial year.

Connecting to schools, reframing our offer

In 2014 we began the process of building an online gateway for our legal work designed to connect our products and services to our volunteer networks and to schools.

This proceeded at a pace in the year and was augmented by the use of a cross-organisational database (Salesforce).

This makes us more operationally suited to building relationships with schools and partner organisations, and also to continue to connect all other elements of our work into the same relationship management structure, giving a sound basis for future growth.

At the same time we launched a micro-site to support schools looking for support to deliver British Values and SMSC (www.doingSMSC.org.uk) which has routed many enquirers to our sites and materials.

Similarly the promise of a bequest from the Alexander Maxwell Legacy Trust left us in a position to plan the development of the legal site based on new funds for our legal education work. This allowed us to plan growth in all aspects of our legal education work during the financial year and into the coming years.

Our plans are still to grow all our future programmes based on the successful online delivery model of Go-Givers, our primary school programme which commenced 'commercial' operations this year. Go-Givers transitioned from being a free-to-use web resource to a subscription model in February 2015. Repackaging the site for sales and subscriptions was complex and relatively costly, and has been done without external funding support. We continue to learn from this in repositioning other activities in the Foundation.

Individual Programme Achievements in the past year

Go-Givers: Go-Givers is the Citizenship Foundation's flagship programme for primary schools. It aims to raise aspirations and develop informed, caring citizens who are prepared for life's opportunities and responsibilities. We strive to equip them with the skills and confidence to make a positive contribution to their communities, both locally and globally.

It is the premise of the Go-Givers programme and its social action project, the Make a Difference Challenge (MADC) that the primary phase is the best time to help induct primary age children into hopeful and effective participation as generous citizens – before they develop the casual cynicism to which most of us are prone. The programme has demonstrated that young children can recognise the citizen's need to balance self-interest with that of the wider community. This comes as they learn to play a meaningful role in bringing about a fairer world: developing a disposition towards community welfare and lifelong philanthropy.

In this year the Make a Difference Challenge was selected for a Randomised Controlled Trial paid for by the Cabinet Office. By comparing two broadly identical primary schools, one set doing the MADC and another not, researchers found the following aspects are solely connected to taking part in the MADC:

- 10% more children said they would like to volunteer in social action in their communities
- Children develop measurable character qualities relating to empathy, problem solving, determination and community spirit

During the year:

- Around 5,000 young people from 106 primary schools took part in the Make a Difference Challenge
- Registrations on the Go-Givers web site rose to over 53,000 teachers
- Go-Givers schools and children were used as exemplars for the primary age range in Prince Charles' Step Up To Serve campaign to get 50% more 10 – 20 year olds' involved in social action

We are grateful to the Pears Foundation, Cabinet Office and the Youth Social Action Fund and for funding towards this programme.

For further information see www.go-givers.org

Giving Nation: Giving Nation stimulates young people to give time, energy and voice to help others. The programme provides active learning opportunities for students to understand their role as agents of change, entrepreneurs and volunteers to enable them to play an active role in positive community change.

Implemented within our network of English secondary schools and alternative education settings Giving Nation is an inclusive, curriculum-based active citizenship experience for every student across a year group.

Giving Nation highlights the benefits of engaging with the wider community, and raises the profile of citizenship and participation as means of solving problems. The programme uses a range of new technologies that further enhance the outputs, impact and educational value to the end users.

Key successes of this year:

- **The Giving Nation Challenge** (in mainstream secondary schools) reached over 43,225 students in 247 schools who carried out 1,729 social action projects.
- In the process students raised over £242,000 and donated around 186,000 volunteer hours outside of school.
- 10% of schools witness ongoing action because of the Giving Nation initiatives.
- 85% of participants understand that they can make a positive difference and 90% of students attest that they now understand the role of charities.
- **The Giving Nation Spirit** (in alternative education settings) engaged 2,970 students in 66 settings as they delivered 330 social action projects.
- In the process students raised over £16,500 and donated nearly 13,000 volunteer hours outside of school.
- 75% of participants say they now have greater empathy for other people and 68% greater awareness of local community issues.

We are grateful to the Santander, the Cabinet Office and the Social Action Fund for funding towards this programme.

At the end of the financial year 2014 – 15 the funding for this programme came to an end from all sources. We deeply regret that we have not, as yet, been able to find new funders. After 12 years of deeply valuable support for young people's initiatives the programme is effectively in abeyance until such a time as this might be found.

For further information see www.g-nation.org.uk

Mock Trial Competitions: Provided with high quality, engaging resources and a mock case, participants learn about the criminal justice system and develop key transferable skills to help them take on the roles of lawyers, magistrates, witnesses and court staff. They compete as prosecution or defence, against students from other schools. Their performances are judged by real-life judges or magistrates and other legal professionals in working courts across the land.

School teams progress from local to regional and then to an annual national final.

Magistrates' Court Mock Trial Competition: This takes teams from the Key Stage 3 years (11 – 14) and gives them two cases from a Magistrates' Court to learn.

Key successes of this year: 4,710 students from 318 school teams took part in the competition. 53 Local Heats took place in March 2014, followed by 10 regional heats and the grand final in Birmingham. The programme benefitted from the support of 1,450 legal volunteers who coached the teams and guided them through this lively encounter with the criminal justice system, helping them to understand better the principles and the practices behind UK law.

95% of students participating attested that their knowledge of the criminal justice system had improved and 60% said they would now consider a career in the law as a result of taking part.

We are grateful to the Magistrates' Association who partner in the delivery of this competition and to the Jomati Foundation and Her Majesty's Court and Tribunal Service (HMCTS) who contribute to its funding.

Bar Mock Trial Competition: This takes teams from the Key Stage 4 years (14 – 16) and gives them 2 cases from a Crown Court to learn.

Key successes of this year: 2,790 students from 186 schools visited crown courts in heats to provide 16 final teams to the Edinburgh Court of Session in March 2014. 8 out of 10 schools **THE** received support from barrister mentors, the first-time around half had ever met a barrister. Teachers recognised how all students had developed their abilities to think critically and analytically, work in teams and take part in deeply considered arguments, and nine out of ten students said they now felt confident to explain a legal issue to their peers.

We are grateful to the Bar Council who gathers funding from Bar Library of NI, Faculty of Advocates, Inns of Court, and Circuits to support this unique competition.

Lawyers in Schools: The Foundation provides both a brokerage service and licencing option to introduce legal professionals into schools—to everyone's advantage. By training volunteer lawyers from law firms, in-house legal teams and chambers to use our interactive materials students receive six one-hour sessions where the law comes to life.

During these discussions students grapple with legal conundrums and engage in debate about the law and their rights and obligations.

The programme currently engages 35 organisations who recruit around 500 legal professionals to engage 1,000 students. It is also being delivered in Romania, Australia and Hong Kong.

Boom Bust and Crunch: Supported by FTI Consulting this programme uses employee volunteers to deliver education around the effects of the global financial crisis on the economy. It develops economic literacy through materials that are designed to enable the programme to be scaled up in coming years.

Strategic Campaigning Partnerships

The Citizenship Foundation takes part in a number of coalitions that represent our higher level strategic ambitions in the policies of the nation.

We are key players in the Democratic Life coalition which calls on all politicians to support high-quality citizenship education in schools.

We are participants in the Step Up to Serve campaign – a strategic, long-term, cross-sector transformation initiative, which will unlock the potential of youth social action across the business, education and voluntary sectors of the UK. This is led by Prince Charles with the support of the all major political parties.

We are also partners in the Generation Change alliance: a partnership of around 20 of the UK's leading youth social action organisations supporting best practice and representing this to government and the Step Up to Serve campaign.

The Citizenship Foundation promotes materials from other organisations and was active during 2015 in promoting activities to enfranchise young people in the 2015 general election.

Major funding relationships

The following businesses and organisation have supported us and we appreciate their partnership immensely:

Cabinet Office – Office for Civil Society (*last year of funding*)
General Council of the Bar for England and Wales
Ministry of Justice – Her Majesty's Courts & Tribunal Services
Esmée Fairbairn Foundation
Montrose Associates
Pears Foundation
Santander (*last year of funding*)
The Law Society
The Magistrates Association
The Social Action Fund (*last year of funding*)
My Society
FTI Consulting

The following Law Firms and legal departments have worked with us on the Lawyers in Schools programme:

Addleshaw Goddard	DAC Beachcroft	National Grid
Baker & McKenzie	EE	Olswang
Barclays	Freshfields Bruckhaus Deringer	Pillsbury Winthrop Shaw
BBC Worldwide	Genworth Financial	Pittman
Bird & Bird	Hutton & Williams	Prudential
Blackstone Chambers	JP Morgan	RBS
British Sky Broadcasting Ltd (BSkyB)	King & Wood Mallesons	Simmons & Simmons
Centrica Energy	Matrix Chambers	Slaughter and May
Cleary Gottlieb Steen & Hamilton	McDermott Will & Emery	Sullivan & Cromwell
CMS Cameron McKenna	Milbank Tweed Hadley & McCloy	Travers Smith
Credit Suisse	Mitsubishi	Verizon
		White & Case

FUTURE PLANS

We continue to consolidate our school-facing offer for secondary schools into a web-based portal designed to serve the needs of teachers in a way that we currently can't through the generic Citizenship Foundation web site. This will involve taking the model for the Law in Schools portal (currently in development) and using its methods and functionality to support other topics covered in citizenship. In that respect, we characterise these into four elements: the Law, Democratic Politics, the Economy and Social Action (civil and civic).

Importantly these four 'sub-headings' will give teachers an easier way to access topics relevant to them in schools that have dropped their expertise for citizenship but still recognise that they need to teach components of the subject. This is particularly important as new educational demands continue to come from the Department of Education without recognition of how they should be contextualised (e.g. 'British values') and teachers look for teaching solutions by topics (in this case the Rule of Law; tolerance and democracy).

The web-based methodology is important to reach and maintain relationships with secondary schools because the infrastructure for schooling has now effectively disappeared through the Department for Education (DfE) driven changes of the last five years. In this way we build on the success of Go-Givers into secondary school delivery whilst progressing its offer in primary schools where it will continue to be a subscription-based service.

Most importantly these developments will sustain our impact on the lives of young people who take part in our programmes and benefit from our educational methods and materials.

FINANCIAL REVIEW**Responsibilities for the Financial Statements**

Charity and Company law require the Trustees to prepare the financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of its financial activities for the year. In preparing those financial statements the Trustees:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles of the Charities' SORP, Reporting and Accounting by Charities;
- Make judgements and estimates that are reasonable and prudent;
- State whether United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and Financial Reporting Standards and applicable law has been followed, disclosing and explaining any departures therefrom in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Charity will continue in operation.

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

The maintenance and integrity of the Foundation's website is the responsibility of the Trustees. The work carried out by the auditors does not involve consideration of these matters and accordingly, the auditors accept no responsibility for any changes that may have occurred to the information contained in the Financial Statements once they are presented on the Foundation's website. Legislation in the United Kingdom governing the preparation and dissemination of the Financial Statements and other information included in annual reports may differ from legislation in other jurisdictions.

Audit Information

The Trustees who held office at the date of approval of this Trustees' Report confirm that, so far as they are individually aware, there is no relevant audit information of which the charitable company's auditors are unaware; and each Trustee has taken all the steps that he/she ought to have taken as a Trustee to make himself/herself aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Review of the Year

Total income for the year to 31 March 2015 amounted to £ 1,146,209 compared to £1,206,323 recorded for the year to 31 March 2014. The surplus of £89,073 on unrestricted funds has taken the level of unrestricted reserves to £ 196,095 at 31 March 2015.

Reserves Policy

Citizenship Foundation's current free reserve policy requires that the charity holds enough funds to ensure that the charity can draw operations to a structured cessation in the unlikely event of a decision to discontinue operations. The Foundation also requires reserves to protect its current and future activities, in order to allow Trustees to meet their ongoing responsibilities and to ensure that the organisation continues to operate as a going concern. The charity also requires a reasonable degree of security to manage unforeseen events and will continue to protect and grow its reserves as part of any future strategies. The Trustees judge this amount as being at least the equivalent of three months' operating expenses - currently estimated to be £135,000. Undesignated general reserves - those reserves classified by the Charity Commission as "free reserves" - in the Balance sheet at the year-end stand at £115,343. At 31 March 2014 they stood at £81,895.

The Trustees have stated a desire to start increasing the level of reserves beyond this minimum level over the coming years.

Investment Policy

The investment objectives of the charity are to achieve income and capital appreciation in real terms at a moderate degree of risk whilst ensuring that operational cash requirements to meet the charity's objectives are maintained. While the charity's trustees do not wish to adopt an exclusionary policy, individual investments may be excluded if perceived to conflict with the Charity's stated purposes.

Equal Opportunities

The Charity is committed to a policy of equal opportunities in the selection, training, career development and promotion of all people, regardless of gender, marital status, race, colour, religion, disability or sexual orientation. The Charity enables people with a disability to participate fully in organisational activities, consistent with their ability, so that they can maximise the use of knowledge, experience and skills in the Charity's work.

Employee Involvement

The Charity encourages employees to be fully involved in the performance and objectives through a range of mechanisms. Staff meetings are held monthly and there are regular team meetings. In addition, seven working groups have been created to ensure communication and coordination across different areas of work and to engage staff more actively in project, programme and policy development.


Auditor

Our independent auditor PKF Littlejohn LLP has expressed its willingness to continue in office as auditor. A resolution to re-appoint the auditor will be presented at the Annual General Meeting in accordance with section 485 of the Companies Act 2006.

By Order of the Board

Martin Bostock
Chair of Trustees

Date:


18 / 11 / 2015

Independent auditor's report to the members of The Citizenship Foundation

We have audited the Financial Statements of The Citizenship Foundation for the year ended 31 March 2015 which comprise the Statement of Financial Activities incorporating a Summary Income and Expenditure Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of Trustees and Auditor

As explained more fully in the Trustees' Responsibilities' Statement (set out on page 8), 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.

Our responsibility is to audit and express an opinion on the Financial Statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on Financial Statements

In our opinion the Financial Statements:

- give a true and fair view of the state of the charitable Company's affairs as at 31 March 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Report of Trustees for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 from including a Strategic Report in preparing the Trustees' Report.



Alastair Duke (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

1 Westferry Circus
Canary Wharf
London E14 4HD

Date: 30 November 2015

THE CITIZENSHIP FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES
Year ended 31 March 2015

(Incorporating an income and expenditure account and statement of total recognised gains and losses)

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds Year Ended 31 March 2015 £	Total Funds Year Ended 31 March 2014 £
Incoming Resources					
Incoming Resources from Generated Funds					
Voluntary income	1	242,465	-	242,465	145,615
Investment income	2	417	-	417	273
Total Incoming Resources from Generated Funds		242,882	-	242,882	145,888
Incoming Resources from Charitable Activities					
Educational and participation programmes	3	258,697	644,630	903,327	1,060,435
Total Incoming Resources		501,579	644,630	1,146,209	1,206,323
Resources Expended	5				
Costs of generating funds		85,701	-	85,701	134,190
Charitable Activities					
Educational and participation programmes		309,825	821,417	1,131,242	1,123,047
		395,526	821,417	1,216,943	1,123,047
Governance costs		16,980	-	16,980	15,134
Total Resources Expended		412,506	821,417	1,233,923	1,272,371
Net Incoming/ (Outgoing) Resources before Transfers		89,073	(176,787)	(87,714)	(66,048)
Gross transfers between funds	8	-	-	-	-
Net Movement in Funds		89,073	(176,787)	(87,714)	(66,048)
Balances at beginning of year		107,022	281,993	389,015	455,063
Balances at end of year	17	196,095	105,206	301,301	389,015

The Charity has no recognised gains or losses other than as stated above. All of the activities represent continuing activities of the Charity.

The Accounting Policies and Notes on pages 17 to 26 form part of these financial statements.

THE CITIZENSHIP FOUNDATION

BALANCE SHEET

At 31 March 2015

Company Number: 02351363

	Note	£	31 March 2015 £	31 March 2014 £
Fixed Assets				
Tangible fixed assets	11		19,269	7,627
Current Assets				
Debtors	12	134,483	297,218	
Cash at bank and in hand		271,450	206,000	
		<u>405,933</u>	<u>503,218</u>	
Creditors: amounts falling due within one year	13	(123,901)	(121,830)	
		<u></u>	<u></u>	
Net Current Assets			282,032	381,388
			<u></u>	<u></u>
Net Assets			301,301	389,015
			<u></u>	<u></u>
Funds	16			
Restricted funds			105,206	281,993
Unrestricted funds			196,095	107,022
			<u></u>	<u></u>
Total Funds			301,301	389,015
			<u></u>	<u></u>

18th November 2015

Approved and authorised for issue by the Board of Trustees on (date) and signed on its behalf by:



Martin Bostock
Chair of Trustees

The Accounting Policies and Notes on pages 17 to 26 form part of these Financial Statements.

Basis of Preparation of Financial Statements

The Financial Statements are prepared under the historical cost basis of accounting and in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities, the Charities' SORP, issued in March 2005, and applicable United Kingdom Accounting and Financial Reporting Standards.

Going Concern

It is the opinion of the Trustees that the use of the going concern basis of accounting is appropriate because:

- there are no material uncertainties relating to events or conditions that may cast significant doubt about the ability of the charitable Company to continue as a going concern;
- there is reasonable expectation that the charitable Company has adequate resources to continue in operational existence for the foreseeable future.

The specific accounting policies adopted are set out below.

Incoming Resources**Donations, Gifts and Commissions**

Income is recognised in full as incoming resources in the Statement of Financial Activities (SOFA) as soon as it is receivable. Income subject to specific wishes of the donor is treated as restricted funds.

Grants

- Performance-related grants (those where the grantor closely specifies the service to be performed by the Foundation) are recognised in the SOFA to the extent that the goods or services have been provided.
- Other grants are recognised when receivable unless the grantor has specified that the income is to be expended, or has imposed pre-conditions that will only be met, in a future accounting period. In these cases, the grant or a proportion thereof is deferred to the balance sheet and recognised as incoming resources in the subsequent period.

Resources Expended and Basis of Allocation of Costs

Expenditure is allocated to expense headings either on a direct cost basis or apportioned according to a percentage allocation agreed by the Trustees to reflect the proportion of time spent on direct charitable activities.

Costs of generating funds are the costs incurred in the promotion of the Foundation and the generation of its income.

Governance costs are those incurred in the safeguarding of the charity's assets (audit/legal and professional) and constitutional and statutory requirements.

Support costs are allocated to activity cost categories on the basis of staff time spent working on each activity.

Donated Services

Donated services have been recorded in income at a valuation reflecting an arm's length transaction, for which an equal and opposite cost is included.

Tangible Fixed Assets

Depreciation is provided on all tangible fixed assets with a cost in excess of £250 (furniture, fixtures and fittings and computer and information technology equipment) at rates calculated to write off the cost of each asset less its estimated residual value evenly over its estimated useful life, which is considered to be 3 years for each asset. Assets purchased for project purposes are expensed when purchased.

Pension Costs

The pension cost charged to the SOFA represents the contributions payable to personal pension schemes and the Company's stakeholder pension scheme by the Foundation on behalf of members of staff.

Funds

Fund balances comprise:

Unrestricted - grants, donations and other income where the purpose for which the income may be used has not been restricted by the donor. In addition, surpluses and deficits on restricted fund projects are transferred to unrestricted funds on completion, where there are no further restrictions by the donor on the use of any remaining funds. Periodically, the Trustees designate unrestricted funds for specific purposes.

Restricted - grants, donations and other income received where the purpose for which the income may be used has been restricted by the donor.

Taxation

As a registered charity the Foundation is generally exempt from Corporation Tax. The Foundation is registered for VAT, and any irrecoverable VAT is included with the cost of those items to which it relates.

Operating Leases

Rentals payable under operating leases are charged to the SOFA as incurred.

Foreign Currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on transactions are included in the statement of financial activities.

1. Voluntary Income

	2015 £	2014 £
Grants	209,278	141,852
Donations	33,187	3,763
	<hr/>	<hr/>
	242,465	145,615
	<hr/>	<hr/>

See note 4 for further details

2. Investment Income

All investment income is interest earned on bank balances held.

3. Incoming Resources from Charitable Activities

	Unrestricted £	Restricted £	2015 £	2014 £
Sponsorship, grants and donations	98,449	644,630	743,079	824,145
Publications and Royalties	1,272	-	1,272	2,578
Training and Advisory Support	158,976	-	158,976	233,712
	<hr/>	<hr/>	<hr/>	<hr/>
	258,697	644,630	903,327	1,060,435
	<hr/>	<hr/>	<hr/>	<hr/>

4. Sponsorship, Grants and Donations Receivable

	Charitable Activities (Note 3) £	Voluntary Income (Note 1) £	2015 £	2014 £
Aviva	-	-	-	24,415
British Council	-	28,160	28,160	-
Esmée Fairbairn Foundation	-	100,000	100,000	60,852
FTI Consulting	24,850	-	24,850	37,500
General Council of the Bar for England and Wales	91,703	-	91,703	91,247
Her Majesty's Courts and Tribunal Service	25,000	-	25,000	25,000
Jomati Foundation	10,000	-	10,000	-
Law Society Charity	-	70,000	70,000	70,000
Montrose Associates	-	10,000	10,000	10,000
Office of Civil Society	150,000	-	150,000	150,000
Pears Foundation	100,000	-	100,000	140,000
Santander	2,600	-	2,600	100,000
Social Action Fund	96,627	-	96,627	96,150
Grants, commissions and donations for £3,000 or less	79,499	28,405	107,904	107,096
Legal Education Foundation	130,800	-	130,800	36,500
Berkshire Community Foundation	10,000	-	10,000	10,000
Buckinghamshire Community Foundation	10,000	-	10,000	-
Community Foundation for Leeds	5,000	-	5,000	5,000
JP Morgan	6,000	-	6,000	2,000
Norfolk Community Fund	1,000	-	1,000	3,000
ShareGift	-	5,000	5,000	-
Daniel Mace	-	900	900	1,000
	743,079	242,465	985,544	969,760

5. Resources Expended

	Staff (see note 9) £	Depreciation (see note 11) £	Direct £	Support (see note 6) £	2015 £	2014 £
Costs of generating funds	18,948	2,200	5,735	58,818	85,701	134,190
Charitable activities	690,227	7,800	224,677	208,538	1,131,242	1,123,047
Governance costs	9,180	-	7,800	-	16,980	15,134
	718,355	10,000	238,212	267,356	1,233,923	1,272,371

6. Support Costs

	Infrastructure	Management	Human Resources	Finance	Information Technology	2015	2014
	£	£	£	£	£	£	£
Costs of generating funds	24,704	4,705	4,705	17,646	7,058	58,818	77,505
Charitable activities	87,586	16,683	16,683	62,561	25,025	208,538	275,174
	<u>112,290</u>	<u>21,388</u>	<u>21,388</u>	<u>80,207</u>	<u>32,083</u>	<u>267,356</u>	<u>352,679</u>

Support costs comprise:

	£	£
Staff Costs	76,582	143,254
Other Costs	190,774	209,425
	<u>267,356</u>	<u>352,679</u>

7. Net Incoming Resources

This is stated after charging:

Hire of vehicles and equipment
Auditors' remuneration - audit
Depreciation

Year ended 31 March 2015	Year ended 31 March 2014
£	£
12,851	12,851
7,800	7,000
10,000	5,403

8. Transfers

Surpluses and deficits on restricted fund projects are transferred to unrestricted funds on completion, where there are no further restrictions by the donor on the use of any remaining funds. For projects that straddle the financial period, estimated surpluses (or deficits) or overhead contributions are recognised in line with work completed.

11. Tangible Fixed Assets

	Furniture fixtures and fittings £
Cost	
At beginning of year	67,819
Additions	21,646
Disposals	-
At end of year	<u>89,465</u>
Depreciation	
At beginning of year	60,196
Charge for the year	10,000
Disposals	-
At end of year	<u>70,196</u>
Net Book Value	
At 31 March 2015	<u>19,269</u>
At 31 March 2014	<u>7,627</u>

Fixed assets are used for direct charitable purposes with the exception of some fixtures and fittings used for management purposes. The net book value of these fixed assets is not material.

12. Debtors	2015 £	2014 £
Trade debtors	42,502	171,753
Rent deposit	30,000	30,000
Other debtors	11,195	8,270
Prepayments and accrued income	50,786	87,195
	<u>134,483</u>	<u>297,218</u>

13. Creditors: amounts falling due within one year	2015 £	2014 £
Trade creditors	45,514	60,736
Accruals	9,809	11,324
Other taxes and social security costs	17,187	15,554
Pension contributions	25,391	30,616
Deferred Income	-	3,600
Other Creditors	26,000	-
	<u>123,901</u>	<u>121,830</u>

Deferred Income	2015	2014
Deferred Income brought forward	3,600	7,165
Released to Income in the year	(3,600)	(7,165)
Deferred Income in the year	-	3,600
	<u>-</u>	<u>3,600</u>

Deferred income in the prior year comprises income from the British Council towards the Active Citizenship project deferred for project activity in the 2014-15 financial year.

14. Financial Commitments

The minimum lease payments to which the Charity is committed under non-cancellable operating leases for the coming year are:

	2015		2014	
On leases expiring:	Equipment	Property	Equipment	Property
Within one year	£11,396	-	-	-
Between two and five years	£1,455	£75,000	£12,851	£75,000
	<u>£12,851</u>	<u>£75,000</u>	<u>£12,851</u>	<u>£75,000</u>

15. Related Party Transaction

There were no related party transactions in the year.

16. Analysis of Total Funds

	Tangible Fixed Assets	Net Current Assets	Total 2015	2014
<u>Restricted Funds</u>				
Legal and economic capability programmes	-	36,289	36,289	87,680
Giving Programmes	16,526	52,391	68,917	194,313
	16,526	88,680	105,206	281,993
<u>Unrestricted Funds</u>				
General	2,743	112,600	115,343	81,895
Designated	-	80,752	80,752	25,127
	2,743	193,352	196,095	107,022
Total funds	19,269	282,032	301,301	389,015

Designated funds are funds held from the Esmée Fairbairn Trust and the Law Society towards the general purposes of the charity.

17. Restricted Funds

	Opening Balances	Incoming Resources	Resources Expended	Transfers	2015
Giving Nation	128,584	74,650	(183,271)	-	19,963
Go Givers	65,729	297,627	(314,402)	-	48,954
Corporate Partnerships	87,680	272,353	(323,744)	-	36,289
TOTAL RESTRICTED FUNDS	281,993	644,630	(821,417)	-	105,206

Restricted Funds Breakdown

Corporate Partnerships Fund comprises funds held for the continuance of projects relative to the following programmes:

- Boom, Bust and Crunch - £7,221.
- Legal Education Fund SmartLaw App and PCLE Gateway - £4,068.
- Mock Trials - £25,000.

The Go Givers Fund comprises funds held for the continuance of the Go Givers programmes in schools.

The Giving Nation Fund comprises funds held for the maintenance of a support service for the remaining active schools.

18. Post Balance Sheet Events

On 27 May 2015, the Trustees of the Alexander Maxwell Law Scholarship Trust, registered charity 289833, finalised the transfer of £74,923 permanently endowed funds and £143,544 of unrestricted funds to The Citizenship Foundation for the purpose of expanding the provision of legal education.

These funds were received in the financial year 2015-16.

The Alexander Maxwell Law Scholarship Trust was removed from the register of charities on 27 July 2015.