

Directors' Report and
Unaudited Financial Statements for the Year Ended 31 December 2017
for
Corporate Citizenship Limited

A copy of Chime Group Holdings Limited's accounts to be filed on the company register for the subsidiary Corporate Citizenship Limited 3313879 because the subsidiary is relying on audit exemption under section 479a CA2006

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Corporate Citizenship Limited

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for the Year Ended 31 December 2017

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Corporate Citizenship Limited

Company Information
for the Year Ended 31 December 2017

DIRECTORS:

Ms J M Parker
M W Tuffrey
N K Davy

SECRETARIES:

T G Tolliss

REGISTERED OFFICE:

PO Box 70693 62 Buckingham Gate
London
SW1P 9ZP

REGISTERED NUMBER:

03313879 (England and Wales)

ACCOUNTANT:

KPMG LLP
15 Canada Square
London
E14 5GL

Corporate Citizenship Limited

Directors' Report for the Year Ended 31 December 2017

The directors present their annual report and the unaudited financial statements for the year ended 31 December 2017.

PRINCIPAL ACTIVITY

The company's principal activity is that of a consultancy providing services relating to worldwide corporate social responsibility. The directors do not anticipate any major changes in the foreseeable future.

REVIEW OF BUSINESS

The company's profit and loss account is set out on page 3 and shows a profit after taxation for the year ended 31 December 2017 of £208,501(2016: profit £649,337).

DIVIDENDS

There were NIL dividends paid in 2017 and £725,000 was paid in 2016.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2017 to the date of this report.

Ms J M Parker
M W Tuffrey

Other changes in directors holding office are as follows:

Ms K M Laljani - resigned 13 October 2017

N K Davy was appointed as a director after 31 December 2017 but prior to the date of this report.

A R Wilson ceased to be a director after 31 December 2017 but prior to the date of this report.

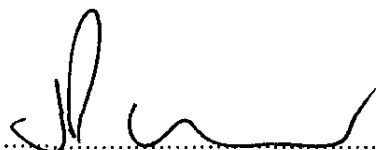
GOING CONCERN

The financial statements have been prepared on the going concern basis see note 2.

DIRECTORS' INDEMNITIES

As at the date of this report, indemnities are in force under which the company has agreed to indemnify the directors, to the extent permitted by law and company's articles of association, in respect of all losses arising out of, or in connection with, the execution of their powers, duties and responsibilities, as directors of the company. Chime Group Holdings Limited, the ultimate holding company, has purchased and maintains directors' and officers' insurance cover against legal liabilities and costs for claims in connection with any act or omission by its directors or officers in the execution of their duties, on behalf of this company.

ON BEHALF OF THE BOARD:



Ms J M Parker - Director

Date: 02/07/18

Corporate Citizenship Limited

Statement of Comprehensive Income
for the Year Ended 31 December 2017

	Notes	31.12.17 £	31.12.16 £
REVENUE		3,224,683	3,673,133
Cost of sales		<u>(394,959)</u>	<u>(519,487)</u>
GROSS PROFIT		2,829,724	3,153,646
Administrative expenses		<u>(2,632,892)</u>	<u>(2,348,523)</u>
		196,832	805,123
Other operating income		<u>-</u>	<u>800</u>
OPERATING PROFIT		196,832	805,923
Income from shares in group undertakings		<u>36,446</u>	<u>-</u>
		233,278	805,923
Interest receivable	4	<u>19,844</u>	<u>12,616</u>
PROFIT BEFORE TAXATION	5	253,122	818,539
Tax on profit	6	<u>(44,621)</u>	<u>(169,202)</u>
PROFIT FOR THE FINANCIAL YEAR		208,501	649,337
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>208,501</u>	<u>649,337</u>

The notes form part of these financial statements

Balance Sheet
31 December 2017

	Notes	31.12.17 £	31.12.16 £
FIXED ASSETS			
Tangible assets	8	32,735	61,239
Investments	9	<u>10,200</u>	<u>10,200</u>
		<u>42,935</u>	<u>71,439</u>
CURRENT ASSETS			
Work in progress		6,013	4,667
Debtors	10	1,229,491	1,150,336
Cash at bank		<u>-</u>	<u>36,836</u>
		1,235,504	1,191,839
CREDITORS			
Amounts falling due within one year	1 1	<u>(960,431)</u>	<u>(1,153,771)</u>
NET CURRENT ASSETS		<u>275,073</u>	<u>38,068</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>318,008</u>	<u>109,507</u>
CAPITAL AND RESERVES			
Called up share capital	13	190	190
Other reserves		10	10
Retained earnings		<u>317,808</u>	<u>109,307</u>
SHAREHOLDERS' FUNDS		<u>318,008</u>	<u>109,507</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2017.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2017 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

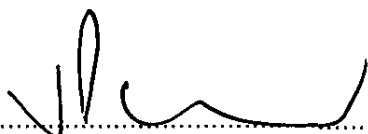
The notes form part of these financial statements

Corporate Citizenship Limited (Registered number: 03313879)

Balance Sheet - continued
31 December 2017

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

The financial statements were approved by the Board of Directors
on2nd July 2018..... and were signed on its behalf by:

A handwritten signature in black ink, appearing to be 'J M Parker', written over a dotted line.

Ms J M Parker - Director

The notes form part of these financial statements

Corporate Citizenship Limited

Statement of Changes in Equity
for the Year Ended 31 December 2017

	Called up share capital £	Retained earnings £	Other reserves £	Total equity £
Balance at 1 January 2016	190	184,970	10	185,170
Changes in equity				
Dividends	-	(725,000)	-	(725,000)
Total comprehensive income	<u>-</u>	<u>649,337</u>	<u>-</u>	<u>649,337</u>
Balance at 31 December 2016	<u>190</u>	<u>109,307</u>	<u>10</u>	<u>109,507</u>
Changes in equity				
Total comprehensive income	<u>-</u>	<u>208,501</u>	<u>-</u>	<u>208,501</u>
Balance at 31 December 2017	<u>190</u>	<u>317,808</u>	<u>10</u>	<u>318,008</u>

The notes form part of these financial statements

1. STATUTORY INFORMATION

Corporate Citizenship Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the company operates.

2. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payment;
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations;
- the requirements of paragraph 33(c) of IFRS 5 Non Current Assets Held for Sale and Discontinued Operations;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
 - paragraphs 76 and 79(d) of IAS 40 Investment Property; and
 - paragraph 50 of IAS 41 Agriculture;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group;
- the requirements of paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairments of Assets.

2. ACCOUNTING POLICIES - continued

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and comprises the gross amounts billed to clients in respect of fees earned, expenses recharged and commission-based income. Revenue is recognised in the income statement when the economic benefits arising from an arrangement are probable.

Revenue is largely derived from services performed subject to specific agreement. Revenue is recognised when the service is performed in accordance with the contractual arrangement through an assessment of the time incurred to date compared to the total hours required to complete the contract, and an assessment of the value delivered to the client compared to the total value of the contract. If the outcome of these can be assessed with reasonable certainty, revenue and related costs are recognised in the income statement. Losses are recognised as soon as they are foreseen.

Operating income is revenue less amounts payable on behalf of clients to external suppliers where they are retained to perform part of a specific client project or service, and represents fees, commissions and mark-ups on rechargeable expenses and marketing products.

Contractual arrangements are reviewed to ascertain whether the group acts as principal or agent with regards to third party costs. If the relationship is that of agent then the recharge of third party costs is not recognised through revenue or cost of sales.

Revenue and operating income are stated exclusive of VAT, sales taxes and trade discounts.

Tangible fixed assets

Tangible fixed assets are stated at cost net of depreciation and any provision for impairment. Depreciation is provided in equal instalments to write off the cost less residual value over the estimated useful economic lives of asset type as follows:

Short-term leasehold improvements 5 years

Fixtures, fittings and equipment 4 years

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

The gain or loss arising on the disposal of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

2. ACCOUNTING POLICIES - continued

Financial instruments

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Cash and cash equivalents

Cash comprises cash, overdrafts and cash held on short-term deposit (up to three months). Cash equivalents are cash deposits held on three months deposit at the Royal Bank of Scotland plc. The deposits guarantee the loan note creditors. Interest accruing on the deposits are payable to the holders of the loan notes less any costs arising.

Trade receivables

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Investments

Investments are recognised and derecognised on a trade date where a purchase or sale of an investment is under contract whose terms require the delivery of the investment within the timeframe established by the market concerned, and are initially measured at cost, including transaction costs.

Investments are classified either as available for sale, and are measured at subsequent reporting dates at fair value, or at amortised cost, where no fair value is readily determinable. Gains and losses on available for sale financial assets arising from changes in fair value are recognised directly in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the net profit or loss for the period.

Bank borrowings

Interest bearing bank loans and overdrafts are recorded at the fair value of proceeds received, net of direct issue costs.

Trade payables

Trade payables are not interest-bearing and are stated at their nominal value.

Equity instruments

Equity instruments issued by the Company are recorded at the fair value of proceeds received, net of direct issue costs.

Work in progress

Work in progress is valued at the lower of cost and net realisable value.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

2. ACCOUNTING POLICIES - continued

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Foreign currencies

The financial statements are presented in pounds sterling, which is the currency of the primary economic environment in which the Company operates (its functional currency).

Transactions denominated in currencies other than pounds sterling are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Gains and losses arising on retranslation are included in net profit or loss for the period. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as investments in equity securities classified as available for sale, are included in the fair value reserve in equity.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

2. ACCOUNTING POLICIES - continued

Employee benefit costs

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the income statement in the period to which they relate.

Operating profit

Operating profit is stated after charging restructuring costs but before investment income and finance costs.

Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements

Investment in subsidiaries

Investments in subsidiaries are accounted for at cost less, where appropriate, provisions for impairment.

3. EMPLOYEES AND DIRECTORS

	31.12.17	31.12.16
	£	£
Wages and salaries	1,391,902	1,375,167
Social security costs	170,304	165,681
Other pension costs	<u>45,181</u>	<u>48,721</u>
	<u>1,607,387</u>	<u>1,589,569</u>

The average number of employees during the year was as follows:

	31.12.17	31.12.16
Directors	8	8
Consultants	18	16
Admin	<u>2</u>	<u>2</u>
	<u>28</u>	<u>26</u>

	31.12.17	31.12.16
	£	£
Directors' remuneration	<u>372,503</u>	<u>374,373</u>

Information regarding the highest paid director is as follows:

The emoluments and pension contributions for the highest paid director are included in the accounts of Teamspirit Limited.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

4. **INTEREST RECEIVABLE**

	31.12.17	31.12.16
	£	£
Interest Received	<u>(19,844)</u>	<u>(12,616)</u>

5. **PROFIT BEFORE TAXATION**

The profit before taxation is stated after charging:

	31.12.17	31.12.16
	£	£
Depreciation - owned assets	<u>30,463</u>	<u>31,785</u>

6. **TAXATION**

Analysis of tax expense

	31.12.17	31.12.16
	£	£
Current tax:		
Tax	<u>44,621</u>	<u>169,202</u>
Total tax expense in statement of comprehensive income	<u>44,621</u>	<u>169,202</u>

Factors affecting the tax expense

The tax assessed for the year is lower (2016 - higher) than the standard rate of corporation tax in the UK. The difference is explained below:

	31.12.17	31.12.16
	£	£
Profit before income tax	<u>253,122</u>	<u>818,539</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19.250% (2016 - 20%)	48,726	163,708
Effects of:		
Expenses that are not deductible in determining taxable profit	2,301	5,800
Group Income	(7,015)	-
Prior period adjustments	(883)	(8,046)
Adjustment to tax charge in respect of previous periods – deferred tax to STRGL	795	6,954
recognised in the computations		
Net deferred tax adjustment	706	786
Other differences	<u>(9)</u>	<u>-</u>
Tax expense	<u>44,621</u>	<u>169,202</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

6. **TAXATION - continued**

The Finance (No 2) Act 2015, which provides for reductions in the main rate of corporation tax from 20% to 19% effective from 1 April 2017 and to 18% effective from 1 April 2020, was substantively enacted on 26 October 2015. Subsequently, the Finance Act 2016, which provides for a further reduction in the main rate of corporation tax to 17% effective from 1 April 2020, was substantively enacted on 6 September 2016. These rate reductions have been reflected in the calculation of deferred tax at the balance sheet date.

7. **DIVIDENDS**

	31.12.17 £	31.12.16 £
Ordinary shares of 1.00 each		
Final	<u>-</u>	<u>725,000</u>

8. **TANGIBLE FIXED ASSETS**

	Plant and machinery etc £
COST	
At 1 January 2017	152,369
Additions	1,959
Disposals	<u>(25,016)</u>
At 31 December 2017	<u>129,312</u>
DEPRECIATION	
At 1 January 2017	91,130
Charge for year	30,463
Eliminated on disposal	<u>(25,016)</u>
At 31 December 2017	<u>96,577</u>
NET BOOK VALUE	
At 31 December 2017	<u>32,735</u>
At 31 December 2016	<u>61,239</u>

9. INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2017 and 31 December 2017	<u>10,200</u>
NET BOOK VALUE	
At 31 December 2017	<u>10,200</u>
At 31 December 2016	<u>10,200</u>

The investment relates to 51% equity share capital in Corporate Citizenship Chile SpA which was incorporated on 1st January 2016 in Chile. In addition, Corporate Citizenship Ltd has one Singapore dollar investment relating to 100% of the equity share capital of Corporate Citizenship Southeast Asia PTE Ltd. which is incorporated in Singapore. Both companies operate principally in the country of incorporation and are engaged in consultancy services relating to corporate social responsibility.

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.17 £	31.12.16 £
Trade debtors	334,924	745,002
Amounts owed by group undertakings	726,641	254,876
Other debtors	<u>167,926</u>	<u>150,458</u>
	<u>1,229,491</u>	<u>1,150,336</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.17 £	31.12.16 £
Bank loans and overdrafts (see note 12)	51,629	-
Trade creditors	49,045	7,779
Amounts owed to group undertakings	189,097	186,522
Tax	50,087	169,327
Social security and other taxes	45,445	47,478
VAT	62,999	149,639
Other creditors	30,659	31,557
Accruals and deferred income	366,651	507,205
Accrued expenses	<u>114,819</u>	<u>54,264</u>
	<u>960,431</u>	<u>1,153,771</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

12. FINANCIAL LIABILITIES - BORROWINGS

	31.12.17 £	31.12.16 £
Current:		
Bank overdrafts	<u>51,629</u>	<u>-</u>
Terms and debt repayment schedule		
		1 year or less
Bank overdrafts		£ <u>51,629</u>

13. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			31.12.17	31.12.16
Number:	Class:	Nominal value:	£	£
190	Ordinary	1.00	<u>190</u>	<u>190</u>

15. PENSION COMMITMENTS

The Company makes contributions to the group's defined contribution scheme. The assets of the scheme are held separately from those of the Company and the group and the scheme is independently administered. The amount charged in the profit and loss account for the year ended 31 December 2017 amounted to £45,181 (2016: £48,721).

16. CONTINGENT LIABILITIES

The company, together with the ultimate parent company and certain other companies in the Chime Group Holdings Limited group ("Chime"), has given an unlimited cross-guarantee in favour of its bankers. The company operates under Chime's banking facility. Chime has a committed facility of £273.9 million, comprising £120.9m until September 2021 and £153 million until September 2022. Cash flow movements are monitored to ensure that sufficient financial resources are available. The Group has seen an increase in client pressure to extend credit terms and the resulting terms are closely monitored.

17. ULTIMATE CONTROLLING PARTY

The Company's immediate parent undertaking and its immediate controlling party is Chime Communications Ltd, incorporated in the United Kingdom and registered in England and Wales.

The Company's ultimate parent company and controlling party is PM VII S.a.r.l, a company incorporated and registered in Luxembourg.

The largest group for which the group financial statements are prepared and of which the group is a member is Chime Group Holdings Limited which is incorporated in the United Kingdom and registered in England and Wales. The smallest group for which the group financial statements are prepared and of which the group is a member is Chime Group Limited which is incorporated in the United Kingdom and registered in England and Wales. Copies of their financial statements are available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.