

Registered charity number
1088174

Registered company number
04270448

London Citizens
(A company limited by guarantee)

Management Committee Report and Financial Statements
for the year ended 31 March 2008

www.londoncitizens.org.uk

**London Citizens
Report and Financial Statements
Contents**

	Page
Legal and administrative information	1
Report of the Trustee Board	2-11
Independent auditors' report	12-13
Statement of financial activities	14
Balance sheet	15
Notes forming part of the financial statements	16-24

London Citizens
Legal and Administrative Information

Reference and administrative information

Charity name: London Citizens
Charity registration number: 1088174
Company registration number: 04270448
Registered office and operational address: 112 Cavell Road
London
E1 2JA

Members of the Trustee Board

Date of appointment

Sr Una McCreesh	Chair	
Adewale Adenekan		
Cliff D'Souza		
Serafim Florea	Resigned 17 September 2008	6 December 2007
Jean Geldart		
Saleha Islam	Co-opted - resigned 6 December 2007	
Dharmachari Jnanavaca	Resigned 6 December 2007	
Dilwar Khan		
Sher Khan	Resigned 6 December 2007	(1)
Bethan Lant		6 December 2007
Deborah Littman	Vice Chair	
Christoph von Luttitz		
Frank McDowell	Treasurer, co-opted	
Akber Mohamedali		(1)
Revd. Paul Nicolson		
Paul O'Shea	Vice Chair	
Father Edward Perera		
Revd. Paul Regan	Co-opted - resigned 6 December 2007	
Revd. Stephen Sichel		
Brenda Sweeney		(1)
Anthony Thomas	Resigned 6 December 2007	
Richard Zipfel	Resigned 6 December 2007	

(1) not appointed as a director

Company Secretary

Colin Weatherup

Lead Community Organiser

Neil Jameson

Independent Auditors

Gotham Erskine LLP
Chartered Accountants and Registered Auditors
Friendly House
52-58 Tabernacle Street
London, EC2A 4NJ

Bankers

HSBC Bank plc
349 Green Street
Upton Park
London
E13 9AS

Solicitors

Kirkpatrick & Lockhart Preston Gates Ellis LLP
110 Cannon Street
London
EC4N 6AR

**London Citizens
Report of the Trustee Board
for the year ended 31 March 2008**

The Trustees are pleased to present their report together with the audited financial statements of the charity for the year ended 31 March 2008.

Legal and administrative information set out on page 1 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: Accounting and Reporting by Charities (issued in March 2005).

Structure, Governance and Management

Governing document

The organisation is a charitable company limited by guarantee, incorporated on 15 August 2001, and registered as a charity on 23 August 2001. The company was established under a Memorandum of Association, which established the objects and powers of the charitable company, and is governed under its Articles of Association. In the event of the company being wound up, members are required to contribute an amount not exceeding £1.

Recruitment and appointment of members of the Trustee Board

The directors of the company are also charity trustees for the purpose of charity law and under the company's Articles of Association are known as members of the Trustee Board. Under the requirements of the Articles one third of the members of the Trustee Board are required to retire annually at the Annual General Meeting. The minimum number of members of the Trustee Board is three, and there is no maximum.

Trustee induction and training

The chair of the trustees is responsible for the induction of new trustees, which involves awareness of a trustee's responsibilities, the governing document, and the work of the trust.

Risk management

The trustees have formally assessed business risks, and this has involved assessing the types of risk facing the charity, prioritising them in terms of the potential impact and likelihood of occurrence, and identifying means of mitigating the risks. As part of this process the trustees have assessed the adequacy of the charity's internal controls and the costs of operating particular controls relative the benefits obtained.

Organisational structure

The Trustees are responsible for policy setting and the charity's strategy. They have delegated the day-to-day management and running of the charity to Neil Jameson, the Executive Director and Lead Organiser. He is assisted by the charity's Business Manager, Colin Weatherup and the Administrator, Josephine Mukanjira. The Citizen Organising Foundation provides the services of Mr Jameson, Mr Weatherup and Ms Mukanjira to the charity.

Related parties

London Citizens is affiliated to The Citizen Organising Foundation, a registered charity nationwide support organisation for broad-based community organisations. London Citizens and The Citizen Organising Foundation operate from the same premises and share some staff and office services.

Membership

The membership comprises organisations supporting the objects of the charity.

Objectives and Activities

Good For London and Beyond (Editorial in The Tablet. 12th April 2008)

'It is not clear whether Tony Blair had LONDON CITIZENS in mind specifically when he argued last week in favour of the role of faith communities. He sold London to the Olympics organisers for the 2012 Games on the basis of its racial and cultural diversity and its vibrant community life; in return one of LONDON CITIZENS major undertakings is to see that the massive East London Olympics construction project becomes a permanent benefit to the whole community. Certainly LONDON CITIZENS shows that faiths working together can be a powerful force for good; it also shows that cooperating to benefit the community is a great way of building bridges between groups which might otherwise never have met. If this works in London, a microcosm of the planet, it should work globally too.'

The declared objects of the charity are for the benefit of the public;

- to develop the capacity and skills of the members of the socially and economically disadvantaged communities of Britain and Ireland 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 local and national charitable community capacity building organisations designed to pursue that aim

Capacity Building is thus our objective; to enhance the Governance of London, our focus; Civil Society and the key local institutions of faith, labour, education and local association, our business; seeking the Common Good, our quest.

LONDON CITIZENS Leaders and Organizers are the builders and architects of local civil society institutions and groups that together have the power and capacity to teach their thousands of members how to 'do' and experience democracy and what it feels like to work together on a daily basis for the common good. What nobler ambition could there be for any organization?

Next to the extended family it is through these groups – our members – that we first learn to relate to each other and the world outside the home. Ideally it is in these mediating institutions that we learn to debate, converse and find our identity. Yet everywhere these same institutions are under pressure and either losing numbers (particularly the young) or narrowing their focus to a purely spiritual or work place agenda, and thereby denying the rich broadness of the human condition.

LONDON CITIZENS – building communities of power committed to acting together for change.

- The UK's largest and most diverse community organization that seeks the power and influence to encourage our member groups to grow and stay in relationship to one another and thus have the ability to act more effectively on their values and to promote the common good.
- A learning organization or 'university of the streets of London' that seeks out and trains a new generation of community leadership to be alert and equipped for the many, complex challenges of the twenty first century.
- An academy of craftspeople capable of building civil society institutions that honour the human condition and the need for respect, recognition and dignity in public life; a reorganizer; an organizer; a Retreat House where history is studied to make us fit for the future; an Engine for creative ideas and experiments with (political) lessons learned and shared across hundreds of different institutions and their membership.
- A vehicle to enhance and strengthen those key aspects of civil society which are so vital to making London a safe and dynamic city – informed consent, participation, compromise, political recognition and the love of and knowledge of one's neighbour.

Trustees have agreed that our main strategic aim is to be the primary civil society organization in London which is powerful enough to negotiate with and be recognized by the other two major drivers in the governance of the capital – government and business. LONDON CITIZENS demands a seat at the table of decision makers on issues which affect our families and neighbourhoods and our joint futures – and pledge to work hard and democratically to obtain it.

Achievements and Performance in 2007/08 – how did we spend our time, energy and money?

1. Building and Broadening London Citizens Membership

- 15 new civil society organizations joined LONDON CITIZENS in this period, including a growing number of primary schools and ethnic associations (Biafran/Zimbabwean). Our 'dues' base of annual membership payments was over £70,000; 108 civil society institutions in dues paying membership by March 31st 2008.
- Trustees are profoundly grateful to the following Trusts and Foundations who have invested in LONDON CITIZENS and thus allowed us to grow in ambition and forward planning; The City Parochial Foundation, Execution Charitable Trust, New Philanthropy Capital; The Tudor Trust, Westway Development Trust, The City Bridge Trust, The Hollick Family Trust, The Jack Petchey Foundation, The Big Lottery, London Catalyst, UNITE HERE, UNITE the Union; UNISON (national); Queen Mary London University.
- On May 7th 2007 LONDON CITIZENS supported the Cardinal and Westminster, Southwark and Brentwood Roman Catholic Dioceses with the second 'Migrants Mass' on the Feast of St Joseph the Worker. Westminster Cathedral was packed to overflowing with Mass given in the piazza and Cathedral confines to those who could not gain admission. This was followed by a symbolic Walk through Westminster and Rally in Trafalgar Square led by the Cardinal, Bishop of Southwark,, head of the Muslim Council of Britain, Chief Rabbi's representative, Trade Union leaders, MP's, Baroness Shirley Williams and over 15,000 citizens in support of 'Strangers into Citizens'. This was the largest turn out of citizens in favour of the regularization of undocumented workers ever in the UK – adding substantially to LONDON CITIZENS profile and responsibility.
- From April 2007 to March 2008 LONDON CITIZENS organized over twenty neighbourhood, Borough wide and regional Assemblies and workshops bringing together thousands of increasingly active and involved citizens from mosques, temples, union branches, sixth forms, university departments, churches and local associations in a diverse range of issues and concerns which came from them and were democratically voted on and overseen by Strategy Teams across London – from setting up a Voucher Exchange Scheme to give asylum seekers dependent on vouchers some cash to spend instead; to the slow and steady nurturing of a developing city wide campaign led by our young leaders, to make the streets safe and tackle the growing crisis in youth violence; to tackle the blight of litter created by discarded free newspapers; to ambitious plans to persuade a major new shopping Mall to sign up to support the Living Wage Campaign and thus become the first 'Living Wage Mall' in history!
- On April 9th 2008, the four main Mayoral Candidates faced 2,500 LONDON CITIZENS members and agreed to act on most of the LONDON CITIZENS 'Agenda for London in 2008' – this included Boris Johnson, the Conservative candidate signing up not only to support the proposal for an 'earned amnesty for irregular workers' but also promising to honour the Living Wage and announce a new figure by the end of the summer of 2008. This was the largest and most authentic Assembly of the whole Mayoral Campaign and had taken six months of careful planning and involvement of LONDON CITIZENS members to ensure the issues were owned, winnable and popular. On February 19th 2008, over 450 Delegates from the membership gathered to debate, vote for and prioritise the most important issues which had come out of the six month 'Listening Campaign' which had preceded the meeting.
- LONDON CITIZENS continued to work and act on many fronts to win a Living Wage for its members and their families. UNITE the union scored many successes with their focus on the Finance Houses of the City and Canary Wharf – particularly with LONDON CITIZENS persuading Barclays to come from behind to be a leader and to get CITI GROUP – the largest bank in the world to also catch up! On December 14th SOUTH LONDON CITIZENS organized an inspired Carol Concert in the great gallery of the Tate Modern and linked hundreds of hands over the artistic and symbolic 'crack' in the floor of the Turbine Hall to put pressure on the Tate management to pay their own staff a Living Wage. Discussions with the Hilton Hotel Group led to an announcement at WEST LONDON CITIZENS Autumn Assembly that they would no longer pay their staff a 'room rate' and that they would reduce their dependency on agencies from 74 to 9. Westfield Shopping Malls signed up to honour the Living Wage in their new White City Mall at the

**London Citizens
Report of the Trustee Board
for the year ended 31 March 2008**

same Assembly. Meanwhile TELCO kept the pressure on and the relationship with David Higgins and the Olympic Delivery Authority. On November 14th the ODA shared a specially commissioned DVD with the TELCO Assembly to show how they were sticking to their promises on the various pledges gained by TELCO in 2004.

- The first meeting of leaders interested in developing a NORTH LONDON CITIZENS was hosted by St. Paul's Anglican Church, Tottenham on 21st November 2007. Further meetings have followed and the interest is growing with several potential members already having voted to 'join' NLC including Barnet Local Government UNISON branch.

2. London Citizens – A University of the Streets

- Trustees affiliate to The Citizen Organising Foundation (COF) our parent body and benefit from the mentoring and training of our professional staff team. This also gives us access to the COF National Training for our key leaders – over this twelve month period 56 new leaders attended one of the two COF National Training Sessions (22/26th October in Woking) and 10/15th March in Chigwell, Essex). Another 136 new leaders attended the two day 'Introduction to Leadership' Trainings which took place on May 11/12th in Notting Hill; on 28/29th September in Mile End and 8/9th February 2008 in Lambeth North. COF in its own turn has been affiliated to the US based Industrial Areas Foundation (IAF) for the last twenty years. This gives the COF network access to their fifty year's of experience of broad based citizens organizing and experienced Organisers like Jonathan Lange who visited LONDON CITIZENS to support the professional team of Organisers on for three weeks during this period.
- COF is a Training Institute and also has plans to launch a Guild of Organisers in 2009 for its Twentieth Anniversary. It is estimated that there are over 10,000 community organizers in the USA and only 10 in the UK – all employed through COF and most with LONDON CITIZENS. In the summer of 2007 we organized our fifth Summer Academy and recruited fifteen students to work on a variety of action research projects which support the overall campaigns of LONDON CITIZENS – the 'Westfield Shopping Mall Campaign'; Our Homes Our London campaign for affordable housing; the developing City Safe Campaign; an analysis of the 'remittances' made by migrants to their home base outside this country. This work and the energy that the students bring is invaluable to the life of LONDON CITIZENS. The Academy also serves as a useful recruiting ground for new Organisers to join the LONDON CITIZENS Team. Four of the present team were recruited through past Academies and more expected in future as this opportunity becomes better known.
- The role and influence of Rev Angus Ritchie at The Contextual Theology Centre in Limehouse and of Dilowar Hussain at The Islamic Foundation in Leicester in encouraging theological reflection and academic analysis on the work of LONDON CITIZENS and our influence on our members and their morale and leadership is invaluable. Angus Ritchie is also playing a central part in not only recruiting new communities into membership from the Limehouse and Wapping neighbourhoods but also is leading on the establishment of OXFORD CITIZENS – where is a part time Chaplain and Student. We are also blessed by a very active Trustee Board and some key volunteers – to mention and honour particularly Rev Paul Regan (Bryant Street Methodist), Deborah Littman (UNISON), Frank McDowell (Treasurer) and Kevin Curran (UNITE the Union). All ably supported and overseen by Colin Weatherup our Business Manager and Josephine Mukanjira our Administrative Officer both of whom go well beyond the call of duty to support the work of LONDON CITIZENS and COF.
- Trustees appreciate the hard work and creativity of LONDON CITIZENS professional team of Organisers. In this period we were delighted to welcome back Bernadette Farrell to be the Lead Organiser for SLC from September 2007 onwards ably supported by Joanna Purkis who built on her experience as a volunteer with 'Strangers into Citizens' in the summer of 2007 to join us as an Organiser with SLC in October. David Gardner returned to the USA to marry and organize in San Francisco with IAF in July 2007. His contribution to the organization, the Workers Association and the 'Strangers into Citizens' Campaign particularly cannot be underestimated. He was a tower of strength and inspiration to all he worked with and for. Julie Camacho moved to work with Catherine Howarth in WLC in September 2007 as a generic Organiser leaving Linas Danielius as the last LCWA Organiser. He also chose to return home – this time to Lithuania, also to marry and

**London Citizens
Report of the Trustee Board
for the year ended 31 March 2008**

try and start a COF there in February 2008. Trustees reviewed the work of the Workers Association and recognized how very staff intensive it was and agreed to keep it as a possible vehicle for recruiting individual workers where there is no union involvement. Meanwhile it was resolved to work more closely with UNITE the union Hotel Branch for the hotels campaign, Finally TELCO also saw some temporary staff changes with Matthew Bolton taking a four month sabbatical from December 2007. Alice Brickley ably rose to the challenge of being the main Organiser in his absence and he was replaced by Julie Cordice, a leader from the Parish of the Royal Docks who also rose to the many challenges she faced and helped cement and make great progress with the 'City Safe' campaign. Matthew Bolton returned from his sabbatical which included a useful placement with the BUILD organization in the USA to be the Lead Organiser of TELCO from the end of March 2008.

- Each action or campaign is a learning experience and opportunity for anything from a handful of leaders to hundreds of leaders to grow and develop. The culture of learning – Praxis – reflection/action/evaluation which TELCO pioneered in 1996 and has spread to SLC and WLC and all that we do in LONDON CITIZENS has taken root and is both expected and demanded by leaders who enjoy the challenge of considered reflection and evaluation in the context of an organization that values both as much as the actions which give them meaning. We pay credit to the hundreds of volunteer leaders from the undocumented workers who have shared their stories of exploitation and abuse, to the experienced and thoughtful long term leaders of LONDON CITIZENS who have kept their communities involved and in action for several years and through action after action.

3. London Citizens – Builder of Sustainable Institutions, Strengthening Civil Society

- Trustees are pleased that there are now 108 member communities in LONDON CITIZENS and that the geographical spread and diversity of these members is so broad. We also welcome the progress that Matthew Bolton and the North London Steering Group are making in building a NORTH LONDON CITIZENS Assembly and look forward to welcoming new primary leaders on the COF and LC leadership training sessions. We are keen that as many member groups as possible use 'organising' methods and a relational culture to develop their leaders and support their institutional growth. Organisers are available to work closely with each member group on their own mission statement, fundraising, recruitment and retention strategy. It is in the interest of LONDON CITIZENS that our members grow in strength and relevance. This not only makes for a healthier civil society in London and a stronger democracy but also a stronger LONDON CITIZENS.
- The Von Hugel Institute published their report 'The Ground of Justice' in May 2007 focused on the impact of new migrants on the Roman Catholic congregations in the three main RC Dioceses. It also focused on the needs of the forty plus RC Ethnic Chaplaincies who struggle to cope with the pastoral and political needs of their volatile communities. We appreciate the good work done by David Gardner in 2006 in working with these chaplaincies and even recruiting the Brazilian, Czech, African and Zimbabwean Chaplaincies into membership. Sadly we also note that with David's departure only the Zimbabwean Chaplaincy remains active and the others have fallen out of membership. We are learning all the time about which groups fit best into membership of LONDON CITIZENS and where is the strongest glue of loyalty and mutual accountability. Focusing on 'anchor' institutions which attract and service large numbers of people makes sense in a fluid global world – hotels, universities, schools and faith congregations cannot move and thus should have roots and some stability of attendance. The institutions which can do the largest and most effective turn out of their members remain the backbone of the organization. This theory was tested this year at the Delegates Assembly on February 19th when the faith congregations did by far the best in ensuring that all their allocated seats were full, schools next with a one of the trade union branches and the NGO's and majority of the trade union branches the weakest.
- We are very grateful to The City Bridge Trust for a grant to fund a 'Schools Organiser' to work with the growing interest in membership from the capital's Secondary Schools and Sixth Form Colleges. We hope to match this post with a similar post dedicated to the Primary Sector. The role of these two new Organisers will not only be to provide relevant and targeted curriculum material but also support the development of complementary initiatives like strong Schools Councils and regular Neighbourhood Walks. We need to make the most of the government's Extended Schools Programme and also the increasing pressure on schools to deliver imaginative and hands on

**London Citizens
Report of the Trustee Board
for the year ended 31 March 2008**

experience of active citizenship. We appreciate the pioneering and loyal work of the schools presently in membership and hope that the addition of these two new Organisers will add to the service and support they receive. Trustees would like to honour Norlington, Leyton (1997) and Stepney Green (1996) Secondary Schools and Trinity, South Woodford and St Bonaventures, Forest Gate, Schools (2001) and St Antony's Primary School, Forest Gate (1996) in membership of TELCO. In West London the schools that have led the way are Cardinal Wiseman (2005), South Ealing, St Charles Sixth Form (2005), Ladbrooke Grove and Douay Martyrs School (2007), Hillingdon. In South London we honour St Mary's (2008), Battersea and St Joseph's (2003), Greenwich – both Primary Schools. We welcome Dermot Bryers and 'English for Action' as an invaluable service we can offer to schools to support their parents and help develop a strong and articulate parent body to support the schools work.

- Organisers and leaders have worked hard this year to develop more CITIZENS Teams in each member group. Where this happens then turn out, 'listening' and other sorts of relational activity are much easier and the role of the priest or formal leader is supported and endorsed. Communities are encouraged to formally 'commission' their team each year and use them as a way of developing new leaders and strengthening the institution itself. A development which we have noticed and would encourage is the way that the relational culture we seek to promote is permeating all aspects of some of our institutions e.g. the way that a Governing Body or Parish Council or Trade Union Branch Meeting is run. At St Margaret's Church in Canning Town there is a small and dedicated RC group of lay people who are part of the 'Serviam' Order. They have recently revised their six point Advice to their members for good outreach practice in their neighbourhood to include; 'speak to five people you know; speak to five people you do not know; keep a record of the people you see and what issues came up; invite them for a coffee morning etc and ask for another meeting; ask the priest if you can invite members of other faiths to a service or coffee morning; encourage your parish to join TELCO!'

4. Strengthening the Governance of the City and Enhancing the Process of Democracy in London

Since 1996 and TELCO's Founding Assembly we have revived the tradition of public Assemblies into those parts of London where LONDON CITIZENS has a presence (now fourteen London Boroughs). In the last six years we have complemented the large Assemblies with smaller, internal Delegates Assemblies and Neighbourhood and Borough Assemblies. These have allowed teams of leaders from our member groups to come together to discuss and debate, hear testimony and counter argument and later vote on a proposal (as an institution). An example of how this culture of democratic behaviour worked in 2007/08 is the process of gaining consent for LONDON CITIZENS 'Agenda for London 2008' which was put to the Mayoral candidates on April 9th 2008. To summarise;

Trustees were aware that in May 2008 there would be another election for the Mayor of London and that the relationship with the Mayor was important to LONDON CITIZENS.

In 2000 and 2004 TELCO and then LONDON CITIZENS held 'Mayoral Accountability Assemblies' where a 'CITIZENS Agenda' had been presented to the main candidates and they had been asked to respond to it and agree to work with and recognize the organization. This had worked and we had built up a mutually respectful relationship with Mayor Livingstone and his cabinet. In 2000 the Assembly had 950 TELCO leaders present and in 2004 1,800 LONDON CITIZENS leaders from South and East London. In 2008 we needed 2,500 leaders present to justify the ambitious Agenda we anticipated and the arrival of West London CITIZENS.

In April 2007 the various Strategy Teams of TELCO, SLC and WLC voted to hold a Mayoral Accountability Assembly in April 2008 – and to precede it with a major 'Listening Campaign' which would lead to a new 'CITIZENS Agenda for London 2008'. At the time the Conservative Party had not chosen their candidate and it was assumed that Ken Livingstone would be re-elected.

On 25th June 2007 West London CITIZENS held a Delegates Assembly of 250 delegates from the 28 member groups and – after some discussion and clarification voted to initiate the 'Listening Campaign' which would lead to the new 'CITIZENS Agenda 2008'. WLC also directed and commissioned 2,000 copies of a short DVD with members from across London calling on each other to 'Listen to London'. This was distributed to member communities, families and schools and played in mosques, church halls and school Assemblies over the summer of 2007.

**London Citizens
Report of the Trustee Board
for the year ended 31 March 2008**

Four months later – on 25th October 2007, WLC held their Autumn Assembly in Hammersmith Town Hall and the 450 leaders present committed themselves and their institutions to a series of house groups, school meetings etc. which would conclude in January 2008 with a series of West London proposals for the overall LONDON CITIZENS 'Agenda.

The same happened on 14th November in The Round Chapel in Hackney where 750 TELCO leaders committed themselves to the same action and same discipline of internal 'Listening' and participation. On 26th November 450 SLC leaders gathered in Brixton Town Hall for their Autumn Assembly and agreed the same process – all concluding with Strategy Teams in late January 2008 which would receive and refine the proposals.

Examples of what then happened are a lesson to the traditional political parties who consistently preach 'Conversation' and 'Listening' to the voters but have an increasing problem reaching 'the voters' and when they do no one knows if their various ideas have gone anywhere. In Cardinal Wiseman School in South Ealing the WLC Team of students, supported by the Chaplain and their teachers set out to 'Listen' to the various stakeholders that make up their school – tables were set up at Parents Evenings for parents to share their thoughts on 'what would you say to the next Mayor'; non teaching staff were approached in the tea breaks and all the classes were encouraged to feed in their one or two main issues – after a debate and vote had taken place; at St William of York in Lewisham the SLC Team used the Sunday Mass and questionnaires to 'listen' to their large and diverse congregation – again encouraging folk to not only say what they wanted from the next Mayor, but also talk to their neighbours and then vote on the several issues that were agreed. Each time the various LC teams of trained leaders were also teaching their communities about the powers of the London Mayor and the need to vote and also to register to vote by April 2008.

In mid January 2008 the three Strategy Teams of TELCO, SLC and WLC met to consider and shortlist the various proposals which had come from the 50,000 'conversations' which had taken place over the summer and autumn of 2007. On 24th January 200 young delegates from member schools and communities gathered in The London Muslim Centre in Whitechapel for the first YOUNG CITIZENS Delegates Assembly to start the process of refining the proposals that young people (under 25 year olds) had raised as concerns. The delegates debated, laughed, told stories and eventually voted for the number one issue which mattered to the most groups in the Assembly – City Safe.

On February 2nd 2008, 150 hardened and experienced LONDON CITIZENS leaders then gathered – with some of the young Delegates in the Great Hall of Kings College on the Strand to refine the 15 proposals into a smaller ore manageable number which would then be considered by a much bigger Assembly later in February. Academics and specialists in housing, employment and policing issues joined CITIZENS to advise on what has worked in the past and any new ideas and experiments taking place not just in the UK but internationally. By the end of the day delegates voted on a seven point Agenda which would be circulated to all the members immediately to encourage communities to prioritise and vote for their most important ones before the Delegates met on February 19th.

St Paul's Church, Hammersmith opened its doors to the 450 Delegates on February 19th who arrived to debate and vote on the main issues and proposals that should go into the 'LONDON CITIZENS Agenda for London 2008'. Communities had to bring at least 5 Delegates to be able to vote and ideally should have consulted extensively before voting. Proposers and Testimony followed with a few questions of detail and explanation from the Delegates before each member community was given time to agree their priority list of the seven issues and were then asked to agree how many of these proposals could realistically be dealt with on April 9th at the 'Accountability Assembly' on April 9th. The room was hushed as the count took place an Professor Jane Wills – the Returning Officer who had overseen the count called out the results. The top four proposals only it was agreed would be considered on April 9th – these were in order of popularity – A Safer London; A Fairer London (Living Wage); a better Housed London and a More Welcoming London (Strangers into Citizens).

The evening concluded with each member community publicly committing a quota/number of their members they would bring to the major Assembly on April 9th. The next day the Agenda was circulated to the membership and to the four main Mayoral Candidates who then had six weeks to prepare their responses to the four proposals. Meetings took place with each candidate and their Teams and it was stressed that clear responses and commitments were expected on April 9th. All questions and details were dealt with in these smaller meetings.

**London Citizens
Report of the Trustee Board
for the year ended 31 March 2008**

On April 9th Westminster Central Hall was packed with 2,500 members of LONDON CITIZENS, the four main Mayoral candidates and the world's press. The Assembly was by far the biggest event of the whole campaign. It was beamed to 350 countries live across the world by the Islam Channel and covered by most of the regional news outlets. The candidates answered clearly and concisely and each agreed to work with and recognize LONDON CITIZENS is elected. The outstanding team of our CITIZENS Co-Chairs and leaders who proposed the Agenda and those who gave authentic testimony before the candidates responded stood out with their confidence and dignity. We were well represented. The Assembly finished exactly on time at 21.15 and a short evaluation took place of 100 plus leaders to critique the action – pluses and minuses were debated and the highs and lows remembered. The overall feeling was positive and the Assembly scored an A-. The final vote of the evening, and one of the first A- rated Assemblies in 12 years.

The next day and since then few have been interested in the real story behind this Assembly – the democracy that got 2,500 people present, the debates and arguments that led to our list of concerns and the slow and patient build up to the Accountability Assembly – where the people/CITIZENS presented their/our Agenda to the candidates to respond to. Most of the press called the event a 'hustings' as if 2,500 people came out to simply hear what the candidates would do for us! They missed the point completely. But the CITIZENS present, the young people particularly did not miss the point. They went home proudly knowing that on April 9th 2008 LONDON CITIZENS had done decent politics – the Ancient Greeks would have been proud of us!

LONDON CITIZENS own internal democracy is as important as that which we encourage in public life. On December 6th we welcomed 180 members to our AGM and 'Awards' evening which was held in the London School of Economics. Three new Trustees were elected and Richard Zipfel (St Thomas More, Manor House) and Jnanavaca (London Buddhist Centre) stood down after serving their term on the Trustees. In January Rev Stephen Sichel (St Matthews's, Brixton) stood down as Chair and Sr Una McCreesh was elected to replace him for the next three years. Eighteen diverse leaders serve as Trustees and met five times over this period with Trustee Sub Committees meeting more regularly. Staff and members are indebted to the Trustees for their loyalty and hard work during the year and thanks go particularly to Stephen Sichel who has represented LONDON CITIZENS ably and with passion before 15,000 people in Trafalgar Square and before 20 people in regular Trustees meetings.

Financial review

The charity's total incoming resources for the year were £393,701, including £227,372 of restricted grant income. Resources expended amounted to £402,000, giving a net deficit for the year of £8,299. Unrestricted free reserves at 31 March 2008 amounted to £42,670, compared to £49,940 at the beginning of the financial year.

Principal funding sources

Subscriptions from member organisations amounted to £71,950. Other principal grants allocated to financial year 2007/08 and their purposes were as follows:

Organisation	Purpose	Amount £
Big Lottery Fund	West London Organiser	3,765
Execution Charitable Trust	Unrestricted use	65,000
City Bridge Trust	South London Organisers	45,504
City Parochial Foundation	Living Wage Organiser	26,250
Community Fund	East London Organiser	68,400
Hollick Family Trust	Summer Academy	7,500
Jack Petchey Foundation	Schools Organiser	2,500
London Catalyst	Living Wage and Health Organiser	23,750
Queen Mary University	Summer Academy	4,000
The Tudor Trust	West London Lead Organiser	30,000
Westway Development Trust	West London Organiser	10,000

**London Citizens
Report of the Trustee Board
for the year ended 31 March 2008**

Investment policy

The charity's Memorandum of Association does not confer any specific rights or restrictions on the Trustee Board in respect of investing its funds. The funds received by the charity during the period under review were not sufficient to justify separate investment, other than to be placed on short and medium term deposits with the charity's bankers.

Reserves policy

The Trustees recognise the need for a reasonable level of reserves base to protect the charity from fluctuations in funding and sudden emergency requirements. In 2002/03 the Trustees agreed a basic reserve of £18,000 and made a commitment to try to add to this each financial year. Ideally, London Citizens would like a reserve which represents three months' annual expenditure. Whilst not yet at this level, the Trustees are pleased to report significant progress in building free, unrestricted reserves and at 31 March 2008 these stand at just over £40,000.

Affiliation with The Citizen Organising Foundation does include possible access to the larger reserve base of that organisation as London Citizens continues to accrue its own level of reserves.

Plans for the future

Trustees look forward to the next five years with optimism and confidence based on the track record we have built up and the reputation we have gained. COF's proposal for celebrating its Twentieth Anniversary in 2009 with the launch of a CITIZENS 'Guild of Organisers' is very welcome and should deliver a regular supply of talented and energetic Organisers to sustain the work into the future.

We would expect NORTH LONDON CITIZENS to hold a Founding Assembly in the next two years depending on resources and welcome the growing interest and investment in our work by the Foundations.

The challenge of adjusting to a Conservative Mayor and administration at City Hall is interesting and we look forward to working at least as closely with Mayor Johnson as we did for the last eight years with Mayor Livingstone. We hope he will hold us to account to deliver a strong and vibrant civil society and that we in turn can then hold him to account for the promises made and deals done with LONDON CITIZENS.

We recognize that we will need to relocate to a new base by the end of 2009 and find COF's plans for a new Centre for Civil Society which we can also share very attractive. Meanwhile the search for a mix of sustainable income sources is on going.

Responsibilities of the Trustee Board

Company law requires the Board of 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 as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial period in accordance with applicable law and Generally Accepted Accounting Practice. In preparing those financial statements, the Board of Trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards 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 assume that the company will continue on that basis.

The Board of Trustees is also responsible for maintaining proper accounting records which 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 1985. The Board of Trustees is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**London Citizens
Report of the Trustee Board
for the year ended 31 March 2008**

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

Members of the Board of Trustees

Members of the Board of Trustees, who are directors of for the purpose of company law and trustees for the purpose of charity law, who served during the period and up to the date of this report, are set out on page 1.

In accordance with company law, as the company's directors, we certify that:

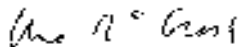
- So far as we are aware, there is no relevant audit information of which the company's auditors are unaware; and
- As the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

A resolution will be proposed at the Annual General meeting that Gotham Erskine LLP be re-appointed as auditors to the charity for the ensuing year.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005) and in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

Approved by the Trustee Board and signed on their behalf on 17th September 2008



Sr. Una McCreesh
Chair of the Trustee Board

London Citizens Independent auditors' report

Independent auditors' report to the members of London Citizens

We have audited the financial statements of London Citizens for the year ended 31 March 2008, which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet and related notes. These financial statements have been prepared under the historical cost convention, the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005), and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the trustees and auditors

The Trustees' (who are also the directors of London Citizens for the purposes of company law) responsibilities for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Annual Report is consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charity is not disclosed.

We read other information contained in the Trustees' Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information beyond that referred to in this paragraph.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

**London Citizens
Independent auditors' report**

**Independent auditors' report to the members of London Citizens Limited
(continued)**

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice and the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005), of the state of the charity's affairs as at 31 March 2008 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.
- the information given in the Trustees' Annual Report is consistent with the financial statements.

Gotham Erskine LLP
Chartered Accountants and Registered Auditors
Friendly House
52-58 Tabernacle Street
London
EC2A 4NJ

London Citizens
Statement of Financial Activities
(incorporating Income and Expenditure Account)
for the year ended 31 March 2008

	Notes	Unrestricted funds 2008 £	Restricted funds 2008 £	Total funds 2008 £	Total funds 2007 £
Incoming resources					
Incoming resources from generated funds:					
<i>Voluntary income:</i>					
Grants and donations	2	90,400	227,372	317,772	306,910
<i>Activities for generating funds:</i>					
Investment income		2,980	-	2,980	1,022
Incoming resources from charitable activities:					
Membership dues		71,950	-	71,950	63,893
Projects and other income		999	-	999	757
Total incoming resources		166,329	227,372	393,701	372,582
Resources expended					
Cost of generating funds:					
Fundraising costs for grants and donations	3	9,632	-	9,632	8,364
Charitable activities:					
Community organising	3	162,496	227,372	389,868	359,356
Governance costs	3	2,500	-	2,500	2,938
Total resources expended		174,628	227,372	402,000	370,658
Net (expenditure)/income for the year	4	(8,299)	-	(8,299)	1,924
Transfers between funds		-	-	-	-
Net movement in funds		(8,299)	-	(8,299)	1,924
Fund balances at 1 April 2007		53,336	10,000	63,336	61,412
Fund balances at 31 March 2008		45,037	10,000	55,037	63,336

The statement of financial activities includes all gains or losses for the year. All incoming resources and resources expended derive from continuing activities.

**London Citizens
Balance Sheet
as at 31 March 2008**

	Notes	2008 £	2007 £
Fixed assets			
Tangible assets	8	2,367	3,396
Investments	9	20,000	20,000
		<u>22,367</u>	<u>23,396</u>
Current assets			
Debtors	10	26,065	24,256
Cash at bank		78,580	70,442
		<u>104,645</u>	<u>94,698</u>
Creditors: amounts falling due within one year	11	<u>71,975</u>	<u>54,758</u>
Net current assets		32,670	39,940
Net assets	13	<u>55,037</u>	<u>63,336</u>
Charity funds			
Unrestricted funds			
Designated funds		2,367	3,396
General funds		42,670	49,940
Total unrestricted funds		<u>45,037</u>	<u>53,336</u>
Restricted funds		10,000	10,000
Total funds		<u>55,037</u>	<u>63,336</u>

These accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

The financial statements were approved and authorised for issue by the Trustee Board on 17th September 2008.

Sr Una McCreesh

Sr Una McCreesh
Chair of the Trustee Board

London Citizens
Notes to the Accounts
for the year ended 31 March 2008

1 Accounting policies

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

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 1985 and the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005).

Fund accounting

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

Restricted funds are funds which are to be used in accordance with the specific restrictions imposed by donors which have been raised by the charity for particular purposes. The aim and use of each fund is set out in Note 14 to the financial statements.

Incoming resources

All incoming resources are 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:

Voluntary income is received by way of grants, donations and gifts and is included in full in the statement of financial activities when receivable.

Investment income is included when receivable.

Dues receivable from member organisations are recognised when received with no provision made for dues receivable at the balance sheet date, as members are not legally bound to renew.

Deferred income comprises grants received in the year, but which the grantor has specified must be used in future accounting periods.

Resources expended

Expenditure is recognised on an accrual 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.

Charitable expenditure 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.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

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, as set out in Note 3.

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:

IT equipment	25% per annum on cost
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London Citizens
Notes to the Accounts
for the year ended 31 March 2008

1 Accounting policies (continued)

Fixed asset investments

Cash held on long term deposits is included in the accounts at cost.

Operating leases

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

Pensions

The charity operates a defined contribution pension scheme, although the scheme does have a guaranteed element of pension benefits. The pension cost charge represents the amounts payable by the company to the fund in respect of the year. The assets of the scheme are held separately from those of the charity in an independently administered fund. Additional disclosures in respect of the guaranteed element of the pension scheme benefits are given in Note 15.

2 Grants and donations

	Unrestricted funds 2008 £	Restricted funds 2008 £	Total funds 2008 £	Total funds 2007 £
Big Lottery	-	3,765	3,765	-
City Bridge Trust	-	45,504	45,504	37,080
City Parochial Foundation Central Fund	-	26,250	26,250	13,750
Community fund	-	68,400	68,400	43,583
Execution Charitable Trust	65,000	-	65,000	93,333
Greater London Authority	-	-	-	5,000
Hollick Family Trust	-	7,500	7,500	5,000
Jack Petchey Foundation	-	2,500	2,500	-
London Catalyst	-	23,750	23,750	6,250
Queen Mary University	-	4,000	4,000	-
Transport and General Workers Union	-	-	-	7,500
Tudor Trust	-	30,000	30,000	4,167
Unite Here	-	-	-	52,652
Waterside Trust	-	-	-	10,000
Wates Foundation	-	-	-	-
Westway Development Trust	-	10,000	10,000	22,500
Miscellaneous donations	25,400	5,703	31,103	6,095
	<u>90,400</u>	<u>227,372</u>	<u>317,772</u>	<u>306,910</u>

**London Citizens
Notes to the Accounts
for the year ended 31 March 2008**

3 Resources expended	Fund- raising 2008 £	Community organising 2008 £	Gover- nance 2008 £	Total 2008 £	Total 2007 £
Costs directly allocated to activities					
Staff costs	9,632	198,407	-	208,039	188,938
Project costs	-	41,533	-	41,533	35,524
Lead organiser/business and communications manager	-	63,750	-	63,750	63,750
Support costs allocated to activities					
Affiliation fees	-	20,000	-	20,000	20,000
Premises costs	-	20,478	-	20,478	20,468
Postage, printing and stationery	-	19,149	-	19,149	17,349
Travel and subsistence	-	9,489	-	9,489	14,153
Lease of IT and telecom systems	-	8,019	-	8,019	-
Communications	-	1,588	-	1,588	2,364
Consultancy	-	1,724	-	1,724	1,221
Staff training and seminars	-	967	-	967	1,726
Depreciation and loss on disposal	-	1,439	-	1,439	719
Audit fees	-	-	2,500	2,500	2,938
Other expenses	-	3,325	-	3,325	1,508
Total resources expended	9,632	389,868	2,500	402,000	370,658

4 Net (expenditure)/income for the year

	2008 £	2007 £
This is stated after charging:		
Depreciation and loss on disposal of tangible fixed assets	1,439	719
Auditors' remuneration for statutory audit	2,500	2,938

5 Staff costs and numbers

	2008 £	2007 £
Staff costs were as follows		
Salaries and wages	185,944	149,453
Social security costs	18,090	14,449
Pension costs	4,005	4,501
	208,039	168,403

No employee received emoluments of more than £60,000.

The average monthly number of employees during the year, calculated on the basis of full time equivalents, was as follows:

	2008 No.	2007 No.
Community organisers	8	5

London Citizens
Notes to the Accounts
for the year ended 31 March 2008

6 Trustee remuneration

No trustee received any remuneration during the year or the preceding year. Two trustees (2007: one) claimed travel expenses totalling £60 (2007: £73) during the year. No trustee or other person related the charity had any personal interest in any contract or transaction entered into by the charity during the year or the preceding year.

7 Taxation

As a registered charity, London Citizens is exempt from tax on income and gains falling within Section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

The charity is registered for Gift Aid with HM Revenue & Customs under reference number XR77265.

8 Tangible fixed assets

	IT equipment £
Cost	
At 1 April 2007	4,115
Additions	610
Disposals	<u>(937)</u>
At 31 March 2008	<u>3,788</u>
Depreciation	
At 1 April 2007	719
Charge for the year	1,034
Eliminated on disposal	<u>(332)</u>
At 31 March 2008	<u>1,421</u>
Net book value	
At 31 March 2008	2,367
At 31 March 2007	<u>3,396</u>

There were no capital commitments at 31 March 2008.

The charity's tangible fixed assets are used to support charitable activities.

9 Fixed asset investments

	2008 £	2007 £
Unlisted investments		
Cost		
At 1 April 2007	20,000	-
Additions	-	20,000
At 31 March 2008	<u>20,000</u>	<u>20,000</u>

In May 2006 the charity placed cash not required for immediate purposes on a 5 year deposit with Bristol and West Building Society, the CAF Guaranteed Equity Account. Substantial penalties apply for early withdrawal.

The ultimate value of the investment is dependent on the performance of the fund, but there is a guaranteed minimum return of 2.83%. The guaranteed return element is provided for in the accounts under investment income and accrued income.

London Citizens
Notes to the Accounts
for the year ended 31 March 2008

10 Debtors	2008	2007
	£	£
Grants receivable	24,167	24,163
Other debtors	193	93
Prepayments and accrued income	1,705	-
	<u>26,065</u>	<u>24,256</u>

11 Creditors: amounts falling due within one year	2008	2007
	£	£
Accounts payable	7,513	1,485
Social security and other taxation	5,168	8,252
Other creditors	10,858	21,286
Accruals and deferred income	48,436	23,735
	<u>71,975</u>	<u>54,758</u>

12 Grants received in advance (deferred income)	2008	2007
	£	£
Deferred at 1 April 2007	17,417	68,917
Released to Statement of financial activities	(17,417)	(68,917)
Received and deferred in the year	45,617	17,417
	<u>45,617</u>	<u>17,417</u>
Deferred at 31 March 2008	<u>45,617</u>	<u>17,417</u>

13 Analysis of net assets between funds

	Designated funds £	General funds £	Restricted funds £	Total funds £
Tangible fixed assets	2,367	-	-	2,367
Investments	-	20,000	-	20,000
Current assets	-	49,028	55,617	104,645
Current liabilities	-	(26,358)	(45,617)	(71,975)
	<u>2,367</u>	<u>42,670</u>	<u>10,000</u>	<u>55,037</u>

**London Citizens
Notes to the Accounts
for the year ended 31 March 2008**

14 Movement in funds

	At 1 Apr 07 £	Incoming resources £	Outgoing resources £	Transfers £	At 31 Mar 08 £
Unrestricted funds:					
Unrestricted funds:					
Designated funds					
Fixed asset fund	3,396	-	-	(1,029)	2,367
General funds	49,940	166,329	(174,628)	1,029	42,670
Total unrestricted funds	53,336	166,329	(174,628)	-	45,037
Restricted funds:					
East London organiser	-	68,400	(68,400)	-	-
South London organiser	-	38,004	(38,004)	-	-
West London organiser (1)	-	30,000	(30,000)	-	-
West London organiser (2)	-	10,000	(10,000)	-	-
West London organiser (3)	-	3,765	(3,765)	-	-
Living Wage & Health organiser and costs	-	23,750	(23,750)	-	-
Hotel Workers' Association	-	26,250	(26,250)	-	-
Schools organiser (1)	-	7,500	(7,500)	-	-
Schools organiser (2)	-	2,500	(2,500)	-	-
Summer Academy (1)	-	7,500	(7,500)	-	-
Summer Academy (2)	-	4,000	(4,000)	-	-
Summer Academy (3)	-	5,703	(5,703)	-	-
Pastoral report	10,000	-	-	-	10,000
	10,000	227,372	(227,372)	-	10,000
Total funds	63,336	393,701	(402,000)	-	55,037

The fixed asset fund represents the net book value of tangible fixed assets, and has been designated by the trustees to reflect the fact that these funds are not in a liquid form and so are not expendable funds.

The Summer Academy fund is to fund a training project run by London Citizens for students during their summer break.

The Pastoral Report fund is for a Parish Guide to Catholic Social Teaching and Citizen Organising which will be distributed within the Catholic Church.

All other restricted grants represent funding for community organisers in the areas shown.

**London Citizens
Notes to the Accounts
for the year ended 31 March 2008**

15 Pension commitments

London Citizens participates in the Pensions Trust's Growth Plan.

The Growth Plan is a multi-employer pension Plan which is in most respects a money purchase arrangement but it has some guarantees. Contributions paid into the Growth Plan up to and including September 2001 were converted to defined amounts of pension payable from Normal Retirement Date. From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Growth Plan or by the purchase of an annuity.

The Plan is funded and is not contracted out of the state scheme. The rules of the Growth Plan allow for the declaration of bonuses and/or investment credits if this is within the financial capacity of the Plan assessed on a prudent basis. Bonuses/investment credits are not guaranteed and are declared at the discretion of the Plan's Trustee.

The Trustee commissions an actuarial valuation of the Growth Plan every 3 years. The main purpose of the valuation is to determine the financial position of the Plan and so determine the future prospects for discretionary bonuses and/or investment credits.

The actuarial valuation assesses whether the Plan's assets at the valuation date are likely to be sufficient to pay the pension benefits accrued by members as at the valuation date. Asset values are calculated by reference to market levels. Accrued pension benefits are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

The rules of the Growth Plan state that the proportion of obligatory contributions to be borne by the Member and the Member's Employer shall be determined by agreement between them. Such agreement shall require the Employer to pay part of such contributions and may provide that the Employer shall pay the whole of them.

London Citizens paid contributions at the rate of 10% during the accounting period. Members paid contributions at the rate of 5% during the accounting period.

As at the balance sheet date there was one active member of the Plan employed by London Citizens. London Citizens continues to offer membership of the Plan to its employees.

It is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to individual participating employers. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS17 represents the employer contribution payable. Under FRS17 it is also necessary to disclose any outstanding or prepaid contributions at the balance sheet date.

The last formal valuation of the Plan was performed at 30 September 2005 by a professionally qualified actuary. The market value of the Plan's assets at the valuation date was £675 million and the Plan's Technical Provisions (i.e. past service liabilities) were £704 million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £29 million, equivalent to a funding level of 96% (September 2002 - assets £418 million, liabilities £418 million, funding level 100%).

The financial assumptions underlying the valuation were as follows:

	30 Sep 05	30 Sep 02
	% pa	% pa
Rate of return on accumulated assets	6.6	6.7
Bonuses on accrued benefits	0.0	0.0
Rate of price inflation	2.5	2.5

London Citizens
Notes to the Accounts
for the year ended 31 March 2008

15 Pension commitments (continued)

At 30 September 2006 the scheme actuary provided an approximate update of the funding position. The funding update revealed an increase in the asset value of the scheme to £747 million and indicated a surplus of assets compared to liabilities of £2 million, equivalent to a funding level of 100.2%.

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Plan. The Trustee's current policy is that it only applies to employers with pre October 2001 liabilities in the Plan. The debt is due in the event of the employer ceasing to participate in the Plan or the Plan winding up.

The debt for the Plan as a whole is calculated by comparing the liabilities for the Plan (calculated on a buyout 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 pre October 2001 liability attributable to employment with the leaving employer compared to the total amount of the Plan's pre October 2001 liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Plan liabilities, Plan investment performance, and the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

London Citizens has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30 September 2007 (the latest date for which information is available at the time of preparation of these accounts). As of this date the estimated employer debt for London Citizens was £Nil.

Contributions totalling £501 (2007: £486) were payable to the fund at the balance sheet date and included under other creditors.

16 Leasing commitments

At the year end the company had annual commitments under non-cancellable operating leases as set out below:

	2008	2007
	£	£
Operating leases which expire: within two to five years	12,018	-

17 Related party transactions

London Citizens is formally affiliated to another registered charity, The Citizen Organising Foundation (COF), which provides training and support for Community Organisers, and advice for trustees on overall policy and strategic actions. This arrangement, and the responsibilities of both parties, is summarised in a written agreement signed by both parties. This agreement also gives London Citizens access to the COF network and the affiliated groups in other parts of the UK for joint training and potential national campaigns.

London Citizens complies with the 'Accreditation' criteria of COF trustees for a 'COF broad based community organisation'. This does not give COF any nomination rights for trustees of London Citizens nor any veto on London Citizens activities or campaigns.

London Citizens
Notes to the Accounts
for the year ended 31 March 2008

17 Related party transactions (continued)

During the year:

- London Citizens paid £63,750 to COF for the services of the lead community organiser and the business and communications manager.
- London Citizens became liable to affiliation fees of £20,000.
- London Citizens paid rent and other office costs of £20,000 to COF (which leases the premises from which London Citizens operates).
- London Citizens was charged £10,670 for training costs.
- London Citizens raised £5,250 from Oxfam and £5,000 from UNISON in order to fund a COF Campaign, 'Strangers into Citizens'. The grants were to be received by London Citizens and passed on to COF, and due to the pass-through nature of these transactions the income has not been shown in these accounts.

At the year end COF owed London Citizens £21,000 (in Grants receivable), and London Citizens owed COF £13,840 (£4,000 in Accounts payable and £9,840 in Other creditors).

London Citizens is the umbrella, accountable body for the London based affiliate organisations. During the year this included the following organisations:

TELCO (The East London Communities Organisation)
South London Citizens
West London Citizens

In May 2007, the East London Citizens Community Land Trust was established as an Industrial/Provident Society regulated by the Financial Service Authority. The Trust is currently dormant, but the intention in the medium to long term is to use the Trust as a vehicle for developing affordable housing in East London, with land provided free of charge by local authorities or the Mayor's Office.

The Trust currently has three members, all of which are leaders within London Citizens member organisations, and who represent London Citizens in their dealings with the Trust.