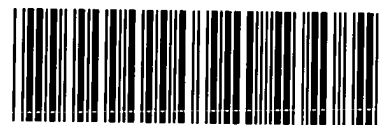


REGISTERED CHARITY NUMBER: 01110841
REGISTERED COMPANY NUMBER: 05442501

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019
FOR
THE ZACCHAEUS 2000 TRUST**

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THE ZACCHAEUS 2000 TRUST

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FOR THE YEAR ENDED 31 DECEMBER 2019**

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THE ZACCHAEUS 2000 TRUST

LEGAL AND ADMINISTRATIVE INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2019

REFERENCE AND ADMINISTRATIVE DETAILS

Charity name

The Zacchaeus 2000 Trust (known as Z2K)

Registered Charity number

1110841

Registered Company number

05442501

Registered Office

10 Buckingham Palace Road
London
SW1W 0QP

Founding Patrons

The Rt. Revd. Robert Runcie (1996 - 2000)
Sir John Mortimer CBE QC (1996 - 2000)

Patrons

Lady Antonia Fraser DBE
Lady Victoria Getty (stepped down January 2019)
HHJ Jan M A Luba Q.C
Jeremy Paxman
Dr Shuja Shafi
Sandi Toksvig
The Most Revd & Right Hon the Lord Archbishop of Canterbury Justin Welby

Independent Examiner

Mark Blackwell ACMA
For and behalf of M H R Consultancy Limited
Chartered Management Accountants
Minster House, 126a High Street
Whitton, Twickenham, Middlesex
TW2 7LL

Principal Bankers

CAF Bank Limited, 25 Kings Hill Avenue, Kings Mill, Kent, ME19 4LQ
Nationwide Building Society, Nationwide House, Pipers Way, Swindon, SN38 1NW
United Trust Bank, 80 Haymarket, London, SW1Y 4TE
Virgin Money, Jubilee House, Gosforth, Newcastle upon Tyne, NE3 4PL

THE ZACCHAEUS 2000 TRUST

CHAIR'S STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

2019 was a significant year for Z2K. We reinforced our position as a campaigning charity with the ability to punch well above our weight. Two high profile campaigns led to significant media attention and successful policy outcomes on behalf of our clients. In particular the #scraptheletters campaign saw the Department for Work and Pensions (DWP) changing its guidance to GPs about when to issue fit notes to people claiming benefits. Our complaint to the Advertising Standards Authority saw the DWP exposed for misleading the public on its claims about Universal Credit and we launched the #stopmisleading campaign as a result. The success of these campaigns is testament to the way the Z2K team works.

We are an agile, courageous charity not afraid to take on powerful institutions. We don't just expose what is wrong with the system, we put forward compelling policies for fixing the harm we see, and mount campaigns to change the system. I have worked in civil society for over 25 years and often wonder what makes Z2K work so well. I think it comes down to culture and structure. We have staff and volunteers who have that rare combination of being experts in a very technical, complex field *and* who are willing to fight like tigers for social justice. We integrate the evidence gathered by our brilliant casework team, who help clients fight for their rights, into our policy and campaigns. And, we have a culture, which puts clients at the heart of all our work.

2019 was a turbulent year in politics, with Brexit negotiations forming a backdrop and the year ending with an unexpected General Election. Perhaps more than ever, there is a need for independently funded and *minded* charities like Z2K to campaign to change the system and to give people a voice in that system. We know we can never be complacent and need to do even more to change the system. I am very pleased we have expanded our policy team with the support of new funding. We also established new relationships with corporate law firms, increasing our capacity to help hundreds of clients whilst also creating opportunities to diversify our income streams.

I was delighted that the Archbishop of Canterbury, Justin Welby, renewed his Patronage and that we were able to recruit a new trustee, Alex Macqueen.

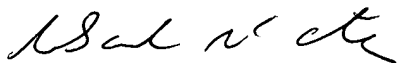
These accounts are for 2019. However, so many internal and external events have happened already in 2020 that it would be remiss not to mention these. We were very sad to announce in February 2020 the passing of our Founder, Reverend Paul Nicolson. Paul was a man of religion who lived his faith fighting for social justice. We will honour his memory building on the foundations he laid.

Our CEO, Raji Hunjan also announced her intention to step down in 2020. Raji has done an amazing job. She has transformed the organisation and has left us in great shape to implement our new strategy being rolled out this year. We are incredibly sad to lose her but wish her all the very best in her new role. However, we are delighted to announce the appointment of Anela Anwar as our new CEO. Anela comes to us from Oxfam GB and Roshni, and won through a hugely impressive field of candidates.

Finally, we cannot ignore the shocks the Coronavirus pandemic has caused to society and the economy. It has put huge stress on our social security system as record levels of claims were made by citizens who have lost their jobs or saw incomes drastically reduced. Even if the lockdown is temporary, the pandemic will have longer-term effects on society. Our core mission remains the same but our future activities are bound to be influenced by the need to respond to the aftermath of the pandemic.

The lockdown has also forced us to change how we work, adopting remote working to maintain our critical services. I would like to say a huge thanks to the team who have kept the show on the road.

Whatever happens, Z2K will be ready for the challenge. For now, I would like to pay a heartfelt thanks to the Z2K team, our funders and other supporters for their commitment and dedication to supporting people most at risk of living in poverty.



Michael G McAteer (Chair)

THE ZACCHAEUS 2000 TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

The trustees present their report and the unaudited financial statements of the charity for the year ended 31 December 2019. The trustees have adopted the provisions of Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities 2015" (FRS102) in preparing the annual report and financial statements of the charity.

TRUSTEES

All trustees give their time voluntarily and receive no benefits from the charity apart from reimbursed expenses set out in note 14. The trustees serving during the year and to the date of this report were as follows:

Michael Gerard McAteer – Chair
Kay Zebada Lau– Treasurer and Company Secretary
James Peter Dobel
Siobhan Mary Garibaldi
Emma Lough – Deputy Chair
Alexander Tulloch Macqueen - appointed 19 September 2019
Christopher Richard Pond
Randeep Ramesh
Dame Ruth Runciman
Jessica Walker

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Zacchaeus 2000 Trust is a company limited by guarantee, established on 4 May 2005 and registered as a charity on 11 August 2005. The charitable company acquired the assets, liabilities and activities of an incorporated charitable trust by the same name on 1 January 2006. The original trust, which had similar objectives, was established on 10 February 1997.

The charity was established under a Memorandum and Articles of Association, which established the objects and powers of the charity. The Memorandum of Association was amended 19 September 2007 and 4 June 2008; a special resolution was passed 2 June 2010, deleting the Memorandum of Association of the company and adopting the amended Articles of Association as the charity's governing document.

The company is limited by guarantee and has no share capital. The liability of members is limited to £1 per member in the event of a winding up.

Appointment of new trustees

The Articles of Association provide for a minimum of three trustees and no maximum. The charity currently has a complement of ten trustees. Requirements for new trustees are identified and new trustees appointed by the current trustees.

Trustee recruitment and induction

Trustees have been recruited through advertisement, professional, personal and member contacts. We aim to recruit people whose skills the board have identified as needed. The trustees endeavour to ensure there is a balance of skills, which reflects the ethos and values of the charity. The Chair of the Board of 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 charity.

In line with our commitment to equal opportunities, trustees have agreed to widely advertise future vacancies to encourage applications from people from diverse backgrounds – unless there is a reason not to follow an open process.

New trustees undergo an orientation session to brief them on their legal obligations under charity and company law, the content of the governing documents, the committee and the decision-making processes, the business plan and recent financial performance of the charity.

THE ZACCHAEUS 2000 TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

STRUCTURE, GOVERNANCE AND MANAGEMENT - continued

Governance and organisational structure

The board of trustees meets a minimum of four times a year, which may include an annual *Away Day* where the strategic direction of the charity is discussed. The board is responsible for governing the affairs of The Zacchaeus 2000 Trust. The board agrees the strategic direction to ensure the organisation fulfils its objectives. It takes overall responsibility for ensuring that the financial, legal and contractual obligations of the charity are met and that there are satisfactory systems and controls in place. The board receives regular reports from the Treasurer and Chief Executive, who oversee the finances of the organisation. The Chief Executive, alongside the Senior Management Team, attends all board meetings.

Additionally, the HR and Policies Sub-committee and the Finance and Risk Sub-committee ensure further scrutiny of policies and the finances, longer-term financial forecasts and risk respectively. The sub-committees are each made up of three trustees. The HR and Policies Sub-committee meets a minimum of two times a year, and the Finance and Risk Sub-committee meets a minimum of four times a year, to coincide with the full board meetings. The HR and Policies Sub-committee is responsible for monitoring and reviewing the policies of the charity, with a focus on staff policies and policies relating to client-facing work, to ensure they are fit for purpose and meet regulatory requirements. The Finance and Risk Sub-committee is responsible for reviewing the draft business plans and performance against plan and budget, overseeing the audit, reviewing the charity's pay structure and monitoring of the charity's risk management. The Chief Executive attends all sub-committee meetings, and both sub-committees report back to the full board and makes recommendations for the full board's consideration.

Management

Day-to-day management and decision making of the charity is delegated to the Chief Executive who works closely with the Senior Management Team to fulfil the charity's objectives and ensure the smooth and effective running of the organisation. The Senior Management Team is supported by a dedicated and multi-skilled staff team who are passionate about working with people on low income and achieving successful outcomes for individual clients as well as longer-term policy change for wider communities. The Chief Executive reports to the Chair and the board.

Senior Management

Raji Hunjan – Chief Executive – until 30 April 2020

Anela Anwar – Chief Executive – from 1 June 2020

Marc Francis – Director of Campaigns & Policy

Anne Killeen – Head of Casework and Support Services

Pay policy for senior management team

The senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day-to-day basis. The pay of the senior staff is reviewed annually and trustees benchmark salaries against pay levels in other comparable charities.

Related parties and co-operation with other organisations

None of our trustees receive remuneration or other benefit from their work as trustees.

The charity works with other charitable and not-for-profit organisations in the furtherance of its objectives. Any connection between a Trustee or senior manager of the charity with a service user, external contractor or supplier of services is disclosed to the full board of trustees in the same way as any other contractual relationship with a related party. Furthermore, all trustees complete an annual declaration of interests form.

All related party transactions are managed in accordance with the charity's conflicts of interest policy. There were no transactions this year.

Use of volunteers

The work of the organisation is also supported by a broad range of volunteers – including pro bono lawyers, trainees and law students. We also have psychology and social work students on placements, as well as long-term volunteers who are in-between jobs or have completed their paid working careers. This draws a more diverse range of experience and knowledge.

THE ZACCHAEUS 2000 TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

AIMS AND OBJECTIVES

Our vision/strapline

Fighting poverty

Our mission

To campaign for a fairer social security system that provides a safety net, and the ability to move on, for those who are most at risk of poverty and homelessness.

Strategic aims

- Fair and equal access to a social security system that treats people with dignity
- Affordable and secure housing
- The empowerment of people to participate in their communities and their voices heard

Social objectives

- Enable people to access the benefits they are entitled to
- Amplify the voices of those on low incomes who are least heard
- Keep more people in stable and decent housing
- Improve access to social housing
- Change public perceptions of people entitled to social security

Delivery objectives

- In-depth, holistic casework that combines detailed advice and advocacy with additional support needs
- Identification of legal challenges
- House single clients who are in receipt of benefits in the private rented sector, where there is no duty owed
- Empowerment of clients through training, additional one-to-one support, engagement with our policy and campaigning work
- Using casework evidence and client stories to influence national policy
- Detailed research to influence policy
- Parliamentary lobbying
- Partnership: working with others in the sector to improve systems and services
- Partnership: working and training of corporate law firms and others to increase our capacity to help clients

Public benefit

We reviewed the Charity Commission's guidance on public benefit when reviewing our aims and objectives and in planning our activities. We believe that we have complied with this and seek to demonstrate this within this report.

OBJECTIVES

"Life is worth living when justice is achieved when most of the time it is not" - client feedback.

We believe the social security system should be a tool to help people move out of poverty and into a stable, dignified life.

We work with people in London to solve their welfare benefits and housing issues - we campaign to change policy that is most harmful to our clients.

We work with a breadth of people across London who need access to means tested benefits. We prioritise those who are at risk of homelessness and rent arrears as a result of problems with their benefits and appeals. We empower people to navigate their way through the complexities and recent changes in the benefits system, combined with the introduction of Universal Credit, and how all of this impacts on their lives and day-to-day challenges.

In supporting low-income households to address their benefits issues, we also attend to other issues that are causing them problems, such as: Universal Credit financial management and income maximisation, concerns about their tenancies, mental well-being and the confidence to engage with relevant authorities. The people we help are typically at crisis point because they are either homeless, at risk of homelessness or vulnerably housed, which often gives a sense of urgency to our work - particularly for people in social housing who are at risk of losing long-term, secure tenancies.

This then forms the basis of our campaigning priorities - to reduce the level of stress the benefits system causes to our clients as well as the risk of homelessness.

THE ZACCHAEUS 2000 TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

ACTIVITIES, ACHIEVEMENT AND PERFORMANCE

Casework

"Z2K is the best organisation in helping those who are struggling with their issues, they are really working hard to solve the problems for people" - client feedback.

Our casework covers all problems with the benefits system. In 2019, a large proportion of our clients presented with problems in relation to their disability benefits, as well as difficulties with applying for or migrating to Universal Credit. Homelessness prevention was also a large focus for Z2K in 2019.

Given that we are based in Westminster, we continue to find that the majority of our clients are from the borough of Westminster. We currently have three outreach sessions across the borough – Beethoven Centre in Queens Park; Church St Library, Paddington; Churchill Gardens Estate, Pimlico. In addition we receive telephone enquiries, repeat clients, word of mouth and have referral links with many local organisations, MPs and Councillors. Given the cyclical nature of the benefits system with re-assessments every two to three years, we have a large number of repeat clients.

Policy

Our policy work is embedded in the experiences of our clients and the evidence from our casework defines our policy focus. We work to influence at national and local level. We prioritise the issues that impact most on our clients and work through parliamentary work as well as public campaigns.

Our impact & how we measure it

We are proud of the service that we provide all our clients:

"I recommend Z2K to anyone going through a hard time and needing support." - client feedback.

In 2019, we helped 1,222 Londoners across all our service delivery projects, including people for whom we may give advice only. In line with our holistic, client-centred model, we always have more cases open than clients, because most clients will have multiple cases concerning different types of benefits, housing matters and additional support needs. With this in mind, the number of cases we had open in 2019 was 1,336. The total financial benefit to our clients was around £3million in recovered benefits.

In addition to hard outcomes, we want to understand the difference we make to people's lives; we encourage our clients to complete an end of casework questionnaire so we can understand our impact on individuals' lives and households. Of the 216 people who have completed the survey, 199 said that they felt that they understood the benefits system better as a result of engaging with Z2K.

198 clients said they felt better now that their benefits problems had been resolved and as one said:

"Working with Z2K made me feel better, happier and more confident about my life." client feedback.

We learn and are inspired by the feedback that they give us and as one client told us, it helps "knowing someone is there to fight your corner"

Our work is as much about restoring dignity and helping people to feel in control of their lives as it is to provide advocacy:

"Working with Z2K has given me the opportunity to rest and feel slightly better." - client feedback.

"Receiving money relieves a lot of stress as I can start reducing my bills." - client feedback.

"Z2K Trust has in-depth knowledge of the welfare system and has opened my eyes to the injustice that claimants suffer dealing with the said system, your support takes pressure off people." - client feedback.

We understand the impact of advocacy and support

"before Z2K was recommended to me I felt like I was alone and did not have rights or a voice to talk through my needs." - client feedback.

"No doubt the service received from Z2K have had a positive affect on my life, especially having so many devastating problems after losing my son and losing my wife." – client feedback.

THE ZACCHAEUS 2000 TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

ACTIVITIES, ACHIEVEMENT AND PERFORMANCE - continued

Tribunals Project

In 2019 we strengthened our Tribunals Project and our ability to help more people to appeal their benefits at tribunal level. The Tribunal Project was established as a fully co-ordinated scheme to connect pro bono lawyers to low income individuals who are in need of tribunal representation when they are denied their sickness or disability benefits. The people who benefit are those with disabilities and/or chronic ill health; they are likely to be vulnerable or isolated and have a history of disadvantage. We worked primarily with people whose needs are most complex and their voices least heard; providing the clients with access to justice and their rights.

We developed strong relationships with corporate law firms who take cases to tribunal for us on a pro bono basis. The law firms we now work with include Allen & Overy, Morrison & Foerster, Hogan Lovells, Kingsley Napley, Cooleys, Mayer Brown, Osborne Clarke, Freshfields and Charles Russell Speechlys.

In 2019 we attended 451 tribunal hearings and our overall success rate where decisions have been made, in winning the appeals was 94%. This is higher than official MOJ statistics, which showed 73% of Employment and Support Allowance (ESA) and Personal Independence Payment (PIP) refusals are overturned at tribunal. It reinforces that people are put through an extensive and a remarkably unnecessary process all so – in the end – they can get the benefits they were clearly entitled to, and as one client told us, "I felt I was treated with contempt by the DWP"

In addition to hard outcomes, we are reminded by our clients the impact of this on their lives:

"I have less stress and anxiety about finances and I can rest and focus on recuperating." - client feedback.

"Due to the fact that before I had debt and continual lack of self worth. Since the appeal for the first time in years I actually have savings in the bank, and being able to repay friends and buy myself some light relief." - client feedback.

We work across a breadth of disabilities, including mental health, which gives us a unique perspective of the impact of the benefits system on our clients:

"It was nice to have someone on my side. The DWP is like they don't believe you have mental health problems, despite the evidence. Having PIP coming in means I can get on with working towards getting better. The PIP appeal process really had a detrimental effect on my mental health." – client feedback.

"I have hope now, I was feeling overwhelmed and helpless. I still have PIP to be determined but help towards ESA appeal from Z2K was wonderful and a weight lifted off me." – client feedback.

Client Empowerment

"I feel more confident and loving to society that someone [Z2K] can look after me when I need the support". – client feedback

We offer advocacy advice combined with additional support to help people pull themselves out of crisis. Working in partnership with South West London Law Centres, this project supports families and individuals facing benefit and housing problems. The support is client centred in that also it helps people face up to personal challenges such as debt, addiction, or isolation and access relevant services.

We delivered workshops to clients to empower them to take more control of their situation. This included money management and CV writing workshops. In addition we started two new initiatives with external providers to help our clients talk about their experiences in more creative and innovative ways.

Our partnership with Ice & Fire Theatre Company, enabled clients to use the creative arts to tell stories of people on disability benefits. A similar photography workshop led by photographer, James Hopkirk, enabled our clients to use photography as a tool for expressing experiences of living on benefits.

THE ZACCHAEUS 2000 TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

ACTIVITIES, ACHIEVEMENT AND PERFORMANCE - continued Policy and Campaigns Achievements

Campaign Successes:

In 2019 we worked to strengthen our approach to policy influencing and campaigning that builds on evidence from our casework; embedding client voice and experience in everything we do.

1. Scrap the Letter campaign.

Our #scraptheletters campaign stemmed from evidence in our casework that found that the Department for Work and Pensions (DWP), when finding a claimant fit for work, was then writing to the GP to tell them to stop issuing fit notes for that claimant. This is despite fit notes being necessary for the claimant to appeal the DWP decision to find them fit for work; and to access Employment and Support Allowance (ESA) pending appeal.

The campaign received significant media coverage, including a feature by Patrick Butler, the Guardian. In feeding back to us, Patrick told us that the story was one of the most read at the news desk at the Guardian. We also received 118k signatures for a petition on the 38 Degrees platform. We encouraged our clients to convey their experiences of their GP refusing to provide "fit notes". We created a questionnaire after people had signed our petition asking if they had personal experience of the letters (as a claimant or a GP), and seven of the nine individuals came to Z2K in this way. One client got in touch because his Citizen Advice Bureau advisor told him to reach out to Z2K because of the ESA65B letter has had a huge impact on him (he lost his job, had to cash in his pension and had no income), all because of the letter from the DWP and the subsequent refusal from his GP to provide him with a fit note. We have since persuaded the DWP to change the wording of the letter so that it is clearer to GPs when they should issue fit notes and we will potentially be perusing an ombudsman complaint, potential media interview with a trusted journalist and/or a GDPR complaint with the Information Commissioners Office. Some of the latter parts came from pro bono legal advice, which we managed to acquire through the Public Law Project.

2. #StopMisleading campaign

In May 2019, the DWP launched their nine-week Universal Credit advertising campaign in The Metro. This campaign, using £225,000 of public money, claimed that Universal Credit would give claimants more choice and control over their benefits. Z2K launched a complaint to the Advertising Standards Authority (ASA) as we have seen first-hand through our grassroots casework how incorrect these claims to be. After a thorough investigation, ASA ruled the adverts to have breached many of their code and regulations, saying that the DWP failed to "substantiate" and "qualify" the information and that the ads were "exaggerated" and "misleading". They stated that there was simply no evidence to back the DWP's claims about people being better off on Universal Credit. Ultimately, ASA ruled these ads must never be used again. As a result, we launched #StopMisleading campaign to expose the DWP's misleading claims and to hold the DWP to account. As a result, Z2K were in over 50 national publications from the Guardian to The Mirror, to the Liverpool Echo and The Sun. We had radio interviews with Radio 4 (you and yours), Radio 3, Talk Radio and Bradford Community Broadcast. We also had an interview on Channel 4 News and Newsnight, which was viewed over 16.9 thousand times.

We had brilliant feedback from our twitter community, supporters, and journalists including Frances Ryan, Ash Sarkar, Aditya Chakraborty, Patrick Butler and Liam Thorpe, as well as MPs including Ed Miliband, Jeremy Corbyn, John McDonnell and Natalie Bennet. The biggest support came from the many who are experiencing Universal Credit and ultimately being pushed into poverty.

This was all despite the campaign win coinciding with the announcement of a general election and Parliament being dissolved.

3. Council Tax Support

Our research and campaigning on the "localisation" of Council Tax Support (CTS) continues to deliver positive outcomes for some of London's poorest households. Building on last year's success in helping persuade Richmond to reinstate 100 per cent support and for Haringey to do the same for families with children, Z2K fed directly into consultations by Brent, Camden, Ealing, Hackney and Greenwich. In Brent, councillors agreed to reinstate 100 per cent support for its poorest residents. The Council Leader cited the evidence he heard from residents during Z2K's campaign as one of the key reasons for this decision. Similarly, Newham's new Mayor has halved that Borough's charges from 20 per cent 10 per cent and introduced a new restriction on the use of bailiffs against CTS claimants – a key campaigning objective for Z2K as Newham had previously instructed bailiffs against 2,000 of its poorest residents in one year alone. Z2K was delighted to be invited to address councillors in the meeting to decide this new scheme.

THE ZACCHAEUS 2000 TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

ACTIVITIES, ACHIEVEMENT AND PERFORMANCE - continued Policy and Campaigns Achievements - continued

Parliamentary Work

Z2K lobbied hard for the Work & Pensions Select Committee to look afresh at the impact of the lower Benefit Cap and so we were delighted when it began an inquiry into it in 2018 and we were called to give evidence. Z2K was amongst those organisations called to give evidence to the committee on 31st October 2019. We argued that it was wrong so many of those hit by the cap are not required to be actively seeking work and that all disabled people on ESA and lone parents with young children on Income Support should be expected, along with homeless families who have no choice over the temporary accommodation their local authority puts them in. We were delighted that the committee's final report endorsed all these recommendations and others about research into the effect of the cap and the amount some UC claimants are being capped. DWP's initial response was generally dismissive, but it has agreed to look more closely at the issue of homeless families. In partnership with others in the sector, we are encouraging the committee and other MPs with an interest in this issue to challenge DWP over its response, and we will continue to do so publicly ourselves.

We continued to promote the research and recommendations in our 2018 report, Access Denied, which reveals the poor quality of the disability benefit assessments and the terrible impact on claimants left facing destitution as a result. During the course of the year, we also worked closely with the Disability Benefits Consortium to challenge DWP's approach collectively. We also submitted evidence to the Work & Pensions select committee's inquiry into "natural migration" on to Universal Credit (UC). Provided briefings for other MPs and have helped draft a series of Parliamentary Questions to DWP and the Ministry of Housing, Communities & Local Government.

In September Z2K hosted a fringe meeting at Labour Party Conference to discuss what more can be done by the voluntary sector, local government and the Labour Movement to force DWP to make fundamental reforms to the disability benefit assessments and help those claimants affected in the meantime. Emma Dent Coad MP chaired the event with speakers Shadow Disabilities Minister – Marsha de Cordova MP, Select Committee member Ruth George MP, Raji and Jim Widdowson – a client who we helped to take his PIP appeal to the Tribunal. Fifty delegates attended, including several who are influential in the disability rights field.

Housing and Homelessness

With funding from Nationwide Foundation we recruited our very first Tenants Voice and Campaigns Officer to particularly focus on the experiences of single people living vulnerably in the private rented sector (PRS). Z2K has long running a private rented access scheme project, which offers practical help to people trying to access PRS. This is the first opportunity we have had to apply a policy lens to our casework in this area and will be developing this work in 2020.

With Raji Hunjan, Z2K's CEO as a Commissioner, we supported Shelter's Commission on the Future of Social Housing and signed up to its recommendations for accelerating the numbers of new builds of social housing.

Raji Hunjan was also appointed in May 2019 as the Chair of the London Housing Panel, which has brought with it opportunities to influence the Mayor's housing strategy. In particular the panel is pushing the Mayor to ensure that the needs of people with the most housing need are considered at planning stage and that priority is given to social house building. The opportunity has widened Z2K's networking power and potential to partner on a range of issues. For example, Raji has now served as a Commissioner on an Inquiry into Domestic Abuse in Barking and Dagenham, which is being chaired by Polly Neate who is the CEO of Shelter.

Right First Time

In July 2019, our Right First Time complaints project drew to a close. It had been designed to use the existing complaints mechanisms of DWP and local authorities to challenge policies and practices that disadvantaged our clients. In total, nearly 300 clients were helped to pursue a formal complaint over the three years it was in operation and it achieved a financial benefit of around £90,000 to those clients through compensation and backdated benefit awards. It also revealed the appalling 18-month delays in DWP's own Independent Case Examiner (ICE) stage, which we have worked with several MPs to expose and challenge. DWP put additional resources into ICE in 2019/20 to increase staff levels and reduce waiting times. Although the project itself has closed, we continue to be notified of decisions that are favourable to our clients.

We ended 2019 with Esmée Fairbairn Foundation funding with which we were able recruit a second Policy and Campaigns Officer.

THE ZACCHAEUS 2000 TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

ACTIVITIES, ACHIEVEMENT AND PERFORMANCE - continued

Volunteers

We remain grateful to our long-term volunteers, and we continue to have social workers on placement, as well as regular volunteers who work with us in our offices. Given the small size of our physical office, we have prioritised pro bono support through our tribunals work over in-house volunteers.

In addition to traditional volunteering, we benefitted from other forms of pro bono support. In particular we are grateful to Theo Delaney for overseeing the production of our promotional video, who drew in additional support from filmmaker, Datsiane Navanayagam, photographer Tony Briggs, and animator, Ruth Barrett.

Partnerships

In 2019 we continued our partnership with South West London Law Centres, Ace of Clubs and Katherine Low Settlement to deliver wrap-around support to clients across all these organisations. This work is funded by the Big Lottery, Help Through Crisis Project.

We continue to be active members of the London Child Poverty Alliance, 4in10 and End Child Poverty Alliance, working together to ensure a stronger voice in the sector on issues concerning child poverty. We are also active members of the Advice Sector panel of the Administrative Justice Council.

We also continue to contribute to the work of the Disability Benefits Consortium, to work with others to challenge unfairness in the benefits system.

OUR FUNDERS AND SUPPORTERS

We remain extremely grateful to our patrons for their support. We are also grateful to other individual donors, including all those who donate during the London Legal Walk. This event takes place in May/June every year, and is organised by the London Legal Support Trust - supporting those in the legal community to raise funds for advice and legal help for those who otherwise cannot afford it. For two years running we have raised the most money amongst participating voluntary sector organisations.

As mentioned previously, we have also received pro bono support from corporate law firms who have represented many of our clients at disability tribunals, leading to donations to Z2K from these organisations: Hogan Lovells, Kingsley Napley, Morrison & Foerster, Cooley, Mayer Brown, Allen & Overy, Charles Russell Speechlys, Freshfields, and Osborne Clarke. Z2K were also introduced to Visa through our partnership with Morrison & Foerster, which has led to new opportunities and funding through the Benevity platform.

We would not be able to continue our valuable work without our main grant supporters, and in 2019 these were Oak Foundation, Trust for London, City Bridge Trust, John Ellerman, Henry Smith, Esmée Fairbairn Foundation, AB Charitable Trust, London Legal Support Trust, Porticus, Westminster Foundation, Strand Parish, the Westminster Amalgamated Trust, Hyde Park Place Estate Charity, Nationwide Foundation, Edward Harvist Trust, Garden Court Chambers Special Fund, and London Hostels Associated.

The majority of our funding continues to be secured via trust and foundation grants, and whilst we explore ways in which to diversify our income, we also focus on identifying new funders whose strategic aims are aligned to the outcomes that we want to achieve.

Z2K is registered with the Fundraising Regulator, an independent, non-statutory body that regulates fundraising across the charitable sector.



THE ZACCHAEUS 2000 TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

FINANCIAL REVIEW

Financial statements

The financial statements, including the notes, have been prepared in compliance with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" 2019 (FRS 102). The analysis of income and expenditure reflects the classification of activities, together with costs relating to administration.

Statement of financial activities

The Statement of financial activities is shown on page 15, with a more detailed analysis of income and expenditure within the notes to the financial statements. The total income for the year was £680,492 (2018: £601,129), with the support of various grant providers being the charity's main income.

The total expenditure for the year was £605,667 (2018: £590,836). Expenditure has increased again over the previous year, reflecting the continuing growth and development in the trust's work. The costs of raising funds increased to £40,937 (2019) from £356 (2018), the majority of which relates to the first fundraising post, with the ambition of diversifying our income sources. The trustees hope that this general trend will continue into the next financial year but fundraising is becoming ever more challenging as funds for advice services are generally being reduced.

Our cost of delivering charitable activities is sub-divided into direct costs and support costs. Direct costs are those directly incurred when implementing charitable activities. Support costs are costs not directly related to a specific activity. Of our total expenditure incurred for charitable activities of £564,730, 75.3% constituted direct costs, and 24.7% support costs. Our support costs cover items including staff training and office costs, expenditure essential to the effective delivery of charitable activities.

Principal funding sources

The charity is dependent upon grants and donations from individual donors and institutions. A full list of grants and donations received is set out in note 4 to the accounts.

Balance sheet

The above result led to a surplus of £74,825 (2018: £10,293), which has resulted in a combined fund balance of £255,233 (2018: £180,408) at the year-end. An analysis of the funds can be found in note 21, with the movements with each fund detailed in note 22.

Future outlook

Whilst the fundraising landscape is becoming ever more challenging as funds for advice services are generally being reduced, the charity maintains a strong financial position with cash reserves at year-end of £441,318 (2018: £195,437). Furthermore, the trustees have approved a robust plan for the generation of funds to enable the full delivery of our 2020 strategy.

Our income tracker includes our pipeline of grant funding applications. The charity uses this to monitor our projected income against the income figures used to prepare our budgets. The trustees regularly review its contingency plans for how expenditure would be reduced in the event of significant shortfalls in projected income.

The majority of our income comes from trust and foundation grants, and we are also working with new funders. Based on the charity's 2020 income tracker and budgets, the charity expects to generate £838,781 of income and £786,709 of expenditure, resulting in a surplus of £52,071 and a year-end reserve balance roughly equivalent to four months of expenditure.

THE ZACCHAEUS 2000 TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

FINANCIAL REVIEW - Continued

Investment policy and objectives

The charity's Articles of Association does not confer any specific rights or restrictions on us as trustees in respect of investing its funds. The funds received by the charity during the year under review were not sufficient to justify separate investment, other than to be placed on deposit with the charity's bankers.

Reserves policy

The trustees aim to maintain an amount on general fund equivalent to three months of expenditure, although this is dependent on the level of donations received. At 31 December 2019, the charity held approximately four months of expenditure (2018: 3 months) of total projected annual expenditure in unrestricted free reserves.

Risk management

The trustees have assessed the major risks to which the charity is exposed, in particular those relating to the operation and finances of the charity. Risks are assessed in terms of impact and likelihood and are reviewed at least quarterly by the finance and risk sub committee, and annually by all the trustees. Going forward we have identified the following key risks and have put plans in place to mitigate:

1. **Diversification of income streams:** We recognise that the bulk of our income comes from trusts and foundations. To avoid dependency on a few donors, we have already increased the range of trusts and foundations who fund us, particularly in relation to multi-year funding. The fundraising manager was appointed in 2019 and has successfully worked to diversify our income streams by seeking new relationships with corporate donors, and organising fundraising events. We are looking to further grow this work in 2020.
2. **Demonstrating impact:** We know that as a small charity with a huge ambition to challenge unfairness across the breadth of the social security system, it is important that we are clear about what we have achieved. We have structured our outcomes, evidence indicators and how we measure impact to be able to demonstrate more clearly the difference that we make. In 2020, we have recruited a new member of staff who will further support on this important work.
3. **Loss of key staff:** as a small charity, in a competitive environment, we know that we have to work hard to retain key staff. In 2020 we have reviewed staff benefits in conversation with all staff and made improvements to how we work.

PLANS FOR THE FUTURE

As we move forward and continue to develop, we will continue to embed our way of working, which combines casework advice with policy. All our policy and campaigning focus is based on the evidence we uncover through our casework. We will also continue to find new ways of encouraging our clients to speak out and support them to contribute to our policy and campaigns.

At the point of presenting our annual accounts, we know we will be responding to problems to the benefits system following the Covid-19 pandemic and what this will mean for the welfare benefits system in the UK.

In addition we will be transitioning to a new CEO who will take the organisation forward in its next stage of growth and sustainability.

To help us to develop our plans for the future, we have embarked in a number of organisation development projects:

1. With Pilotlight we benefited from a mentoring scheme through which we were connected to mentors from the business sector to help us to develop our income generation plans – particularly in relation to the tribunals project.
2. With support from the Lloyds Foundation enhance programme we secured pro bono support to help us to develop our communications strategy, particularly our use of social media.
3. With funder plus support from Esmée Fairbairn we have commissioned facilitator, Charlotte Pace, to work with the board of trustees on strengthening governance.

All these actions will help us to develop our plans for the future.

THE ZACCHAEUS 2000 TRUST

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

STATEMENT OF TRUSTEES RESPONSIBILITIES

The charity trustees (who are also the directors of Zacchaeus 2000 Trust Ltd for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

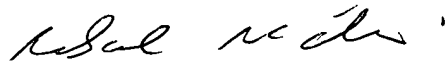
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP 2015 FRS102;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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.

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

This report has been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small company's regime.

Trustees Report on pages 2 to 13 has been approved by the trustees and signed on their behalf by:



Michael G McAteer – Chair of the Board of Trustees of The Zacchaeus 2000 Trust

18 June 2020

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE ZACCHAEUS 2000 TRUST

I report on the accounts for the year ended 31 December 2019 set out on pages 15 to 29.

Responsibilities and basis of report

As the charity's trustees of the charitable company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 (the '2011 Act'). In carrying out my examination I have followed the directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's report

Since the charitable company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of Chartered Institute of Management Accountants, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. Accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
2. The financial statements do not accord with those records; or
3. The financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. The financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Mark Blackwell ACMA
M H R Consultancy Limited
Chartered Management Accountants
Minster House
126a High Street, Whitton
Twickenham
Middlesex
TW2 7LL

18 June 2020

THE ZACCHAEUS 2000 TRUST

**STATEMENT OF FINANCIAL ACTIVITIES
INCORPORATING INCOME AND EXPENDITURE ACCOUNT**

FOR THE YEAR ENDED 31 DECEMBER 2019

| | Notes | Unrestricted Funds £ | Restricted Funds £ | 2019 Total Funds £ | 2018 Total Funds £ |
|------------------------------------|-------|----------------------------|--------------------------|-----------------------------|-----------------------------|
| INCOME AND ENDOWMENTS FROM | | | | | |
| Donations and legacies | 2 | 40,716 | 18,000 | 58,716 | 13,051 |
| Charitable activities | | | | | |
| Grants | 4 | 175,814 | 409,014 | 584,828 | 560,117 |
| Other trading activities | 5 | 7,558 | 24,256 | 31,814 | 23,032 |
| Investments | 6 | 721 | - | 721 | 919 |
| Other | | 3,030 | 1,383 | 4,413 | 4,010 |
| Total | | <u>227,839</u> | <u>452,653</u> | <u>680,492</u> | <u>601,129</u> |
| EXPENDITURE ON | | | | | |
| Raising funds: | 7 | 39,566 | 1,371 | 40,937 | 356 |
| Charitable activities | | | | | |
| Activities | 9 | <u>40,275</u> | <u>524,455</u> | <u>564,730</u> | <u>590,480</u> |
| Total | | <u>79,841</u> | <u>525,826</u> | <u>605,667</u> | <u>590,836</u> |
| NET INCOME/(EXPENDITURE) | | 147,998 | (73,173) | 74,825 | 10,293 |
| Transfers between funds | 23 | <u>(74,424)</u> | <u>74,424</u> | - | - |
| NET MOVEMENT IN FUNDS | | 73,574 | 1,251 | 74,825 | 10,293 |
| RECONCILIATION OF FUNDS | | | | | |
| Total funds brought forward | 23 | 179,549 | 859 | 180,408 | 170,115 |
| TOTAL FUNDS CARRIED FORWARD | | <u>253,123</u> | <u>2,110</u> | <u>255,233</u> | <u>180,408</u> |

All activities relate to continuing operations.

THE ZACCHAEUS 2000 TRUST
Registered number: 05442501

BALANCE SHEET
AT 31 DECEMBER 2019

| | Notes | Unrestricted Funds £ | Restricted Funds £ | 2019 Total Funds £ | 2018 Total Funds £ |
|--|-------|----------------------------|--------------------------|-----------------------------|-----------------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 18 | 5,118 | - | 5,118 | 6,140 |
| | | 5,118 | - | 5,118 | 6,140 |
| CURRENT ASSETS | | | | | |
| Debtors | 19 | 23,672 | 18,249 | 41,921 | 117,473 |
| Cash at bank and in hand | | 379,084 | 62,234 | 441,318 | 195,437 |
| | | 402,756 | 80,483 | 483,239 | 312,910 |
| CREDITORS | | | | | |
| Amounts falling due within one year | 20 | (154,751) | (78,373) | (233,124) | (138,642) |
| NET CURRENT ASSETS | | 248,005 | 2,110 | 250,115 | 174,268 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 243,123 | 2,110 | 245,233 | 180,408 |
| NET ASSETS | | 253,123 | 2,110 | 255,233 | 180,408 |
| CHARITY FUNDS | 23 | | | | |
| Unrestricted funds | | | | 253,123 | 179,549 |
| Restricted funds | | | | 2,110 | 859 |
| TOTAL FUNDS | | | | 255,233 | 180,408 |

The trustees consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the charitable company to obtain an audit for the year in question in accordance with section 476 of the Act.

The trustees acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved by the Board of Trustees on **18 June 2020** and were signed on its behalf by:



Michael G McAteer (Chair) – Trustee



Kay Z Lau (Treasurer) – Trustee

THE ZACCHAEUS 2000 TRUST

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019**

| | 2019 £ | 2018 £ |
|---|----------------|-----------------|
| Cash flows from operating activities: | | |
| Net cash provided by (in use) operating activities | <u>249,014</u> | <u>(33,251)</u> |
| | 249,014 | (33,251) |
| Cash flows from investing activities | | |
| Purchase of fixed assets | <u>(3,133)</u> | <u>(7,959)</u> |
| Cash provided by (used in) investing activities | <u>(3,133)</u> | <u>(7,959)</u> |
| Change in cash and cash equivalents in the year | <u>245,881</u> | <u>(41,210)</u> |
| Cash and cash equivalents at the start of the year | <u>195,437</u> | <u>236,647</u> |
| Cash and cash equivalents at the end of the year | <u>441,318</u> | <u>195,437</u> |

CASH FLOW NOTES

| | 2019 £ | 2018 £ |
|--|----------------|-----------------|
| Reconciliation of net movement in funds to net cash flow from operating activities | | |
| Net income/(expenditure) for the reporting period (as per the statement of financial activities) | 74,825 | 10,293 |
| Adjustments for: | | |
| Add back depreciation charge | 4,155 | 5,147 |
| (Increase) /decrease in debtors | 75,552 | (2,364) |
| (Decrease) /increase in creditors | <u>94,482</u> | <u>(46,327)</u> |
| Net cash used in operating activities | <u>249,014</u> | <u>(33,251)</u> |

| | 2019 £ | 2018 £ |
|--|----------------|----------------|
| Analysis of cash and cash equivalents | | |
| Cash in hand | <u>441,318</u> | <u>195,437</u> |
| Total cash and cash equivalents | <u>441,318</u> | <u>195,437</u> |

THE ZACCHAEUS 2000 TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (SORP FRS102) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2016), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, and UK Generally Accepted Practice as it applies from 1 January 2015.

The address of the registered office is given in the reference and administrative details on page 2. The nature of the charity's operations and its principal activities are set out in the trustees' report.

The financial statements are prepared on a going concern basis under the historical cost convention. The financial statements are prepared in sterling, which is the functional currency of the charity. The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

1.2 Judgement and key sources of estimation uncertainty

In the application of the charity's accounting policies, the charity is required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

1.3 Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for specific purposes.

Designated funds are unrestricted funds set aside by the trustees for specific purposes.

Restricted funds are funds whose use is restricted to specific purposes according to the grant terms of the specific restrictions imposed by the donor or which have been raised for a particular purpose. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.4 Income recognition

Items of income are recognised in the financial statements when all of the following criteria are met:

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

1.5 Expenditure recognition

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

- Costs of raising funds which comprise those costs associated with seeking donations, grants and other fundraising costs;
- Expenditure on charitable activities, which comprises the costs of running the various activities and services for the charity's beneficiaries.

Expenditure includes those costs of a direct nature, which can be allocated to a specific activity. It also includes indirect costs, including governance costs that do not relate to a specific activity but are necessary to support them. Support costs are apportioned to each activity on the basis of staff numbers.

THE ZACCHAEUS 2000 TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. ACCOUNTING POLICIES – continued

1.6 Going concern

The financial statements have been prepared on a going concern basis, as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements and consider these sufficient for the charity to be able to continue as a going concern.

1.7 Volunteers and donated services

A certain amount of time is expended on the charity's activities, which is donated free of charge. It is not possible to quantify the value of time given and accordingly it is neither recorded as donated income nor as an expense in the accounts.

1.8 Tangible fixed assets

Tangible fixed assets for use by the charity are capitalised if they can be used for more than one year, and cost at least £500. They are valued at cost or else, for gifts-in-kind, at a reasonable estimate of their open market value on receipt.

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

| Asset Category | Annual Rate |
|-----------------------|------------------|
| Computers | - 33.33% on cost |
| Fixtures and fittings | - 25% on cost |

1.9 Financial instruments

The charity only has financial instruments of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account, as well as cash in hand held by charity at the year end.

1.11 Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are recognised at the invoiced cost prepaid.

1.12 Creditors and Provisions

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

1.13 Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010. Accordingly it is potentially exempt from taxation in respect of income and capital gains received to the extent that such income or gains are applied to exclusively charitable purposes. No provision for taxation has been made in these financial statements.

THE ZACCHAEUS 2000 TRUST

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2019

2. INCOME FROM DONATIONS AND LEGACIES

| | 2019 £ | 2018 £ |
|----------------------|---------------|---------------|
| Restricted | | |
| Corporate Donations | <u>18,000</u> | <u>-</u> |
| | <u>18,000</u> | <u>-</u> |
| | £ | £ |
| Unrestricted | | |
| Corporate Donations | 9,550 | 4,125 |
| Individual Donations | <u>31,166</u> | <u>8,926</u> |
| | <u>40,716</u> | <u>13,051</u> |

3. INCOME FROM CHARITABLE ACTIVITIES

| | Activity | 2019 £ | 2018 £ |
|--------|-------------------------------|----------------|----------------|
| Grants | Core Activities | 175,814 | 153,734 |
| Grants | Casework and Support Services | 269,257 | 278,066 |
| Grants | Policy and Campaigning | 137,500 | 126,667 |
| Grants | Relief of Poverty | <u>2,257</u> | <u>1,650</u> |
| | | <u>584,828</u> | <u>560,117</u> |

4. GRANTS

| | 2019 £ | 2018 £ |
|--------------|----------------|----------------|
| Restricted | 409,014 | 409,883 |
| Unrestricted | <u>175,814</u> | <u>150,234</u> |
| | <u>584,828</u> | <u>560,117</u> |

THE ZACCHAEUS 2000 TRUST

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2019

4. GRANTS – continued

| | 2019 £ | 2018 £ |
|--|----------------|----------------|
| Restricted | | |
| Access to Justice | - | 10,000 |
| Allen & Overy | 10,000 | 5,000 |
| City Bridge Trust | 50,000 | - |
| City of Westminster Council Ward Funding | 16,639 | - |
| Clifford Chance Foundation | 7,000 | - |
| Comic Relief | - | 21,659 |
| Equalities and Human Rights Commission | - | 57,502 |
| Esmée Fairbairn Foundation | 37,500 | 50,000 |
| Glasspool | 957 | 350 |
| Henry Smith Foundation | 50,000 | 50,000 |
| Hyde Park Place Estate Charity | 3,000 | - |
| John Ellerman | 20,000 | 30,000 |
| LHA London | 25,000 | - |
| Lloyds Bank Foundation | 25,000 | 25,000 |
| London Catalyst | 1,300 | 1,300 |
| London Legal Support Trust | - | 3,500 |
| Mrs Smith & Mount Trust | 6,934 | - |
| Nationwide Foundation | 25,000 | - |
| Northmoor Trust | - | 20,000 |
| Porticus UK | 30,000 | 23,000 |
| South West London Law Centres | 36,525 | 31,905 |
| Strand Parishes Trust | 5,000 | 5,000 |
| The Rank Foundation | - | 20,000 |
| Trust for London | 50,000 | 41,667 |
| Tudor Trust | - | 2,500 |
| Westminster Amalgamated Charity | 9,159 | 6,500 |
| Westminster Foundation | - | 5,000 |
| | <u>409,014</u> | <u>409,883</u> |
| | £ | £ |
| Unrestricted | | |
| Edward Harvist Trust | 2,000 | - |
| Garden Court Chambers | 2,000 | - |
| Law Society Charity | - | 5,000 |
| London Legal Support Trust | 10,000 | 10,000 |
| Oak Foundation | 108,250 | 91,000 |
| The A B Charitable Trust | 20,000 | 15,000 |
| The Fitzler Lacy Trust | 3,000 | - |
| Westminster Connect | 2,000 | - |
| Westminster Foundation | 28,564 | 29,234 |
| | <u>175,814</u> | <u>150,234</u> |

THE ZACCHAEUS 2000 TRUST

**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2018**

5. OTHER TRADING ACTIVITIES

| | 2019 | 2018 |
|-----------------------------------|---------------|---------------|
| | £ | £ |
| Corporate law firms contributions | 14,345 | 3,500 |
| Fundraising events and activities | 6,482 | 5,961 |
| Training and workshops | 6,084 | 8,352 |
| Recharges and hardship claims | 4,903 | 5,219 |
| | <u>31,814</u> | <u>23,032</u> |

Income earned from other activities was £31,814 (2018: £23,032) of which £7,558 related to unrestricted funds (2018: £6,061) and £24,256 related to restricted funds (2018: £16,971).

6. INVESTMENT INCOME

| | 2019 | 2018 |
|------------------------------|------------|------------|
| | £ | £ |
| Bank Interest - unrestricted | 721 | 919 |
| | <u>721</u> | <u>919</u> |

The £721 (2018: £919) arises from money held in interest bearing deposit accounts and all relates to unrestricted funds.

7. RAISING FUNDS

| | 2019 | 2018 |
|--------------------|---------------|------------|
| | £ | £ |
| Campaign expenses | 1,371 | 356 |
| Fundraising costs | 1,541 | - |
| Wages and salaries | 37,159 | - |
| Pension costs | 866 | - |
| | <u>40,937</u> | <u>356</u> |

Of the £40,937 expenditure recognised in the year (2018: £356), £39,566 (2018: £Nil) was charged to unrestricted funds and £1,371 (2018: £356) was charged to restricted funds.

8. EXPENDITURE BY CHARITABLE ACTIVITIES

| | Activity | 2019 | 2018 |
|-------------------------|-------------------------------|----------------|----------------|
| | | £ | £ |
| Cost directly allocated | Core Activities | 10,429 | 9,847 |
| Cost directly allocated | Casework and Support Services | 306,159 | 334,202 |
| Cost directly allocated | Policy and Campaigning | 106,544 | 98,891 |
| Cost directly allocated | Relief of Poverty | 2,389 | 3,752 |
| | | <u>425,521</u> | <u>446,692</u> |

| | Activity | 2019 | 2018 |
|-------------------------|-------------------------------|----------------|----------------|
| | | £ | £ |
| Support costs allocated | Core Activities | 29,846 | 21,568 |
| Support costs allocated | Casework and Support Services | 79,530 | 86,273 |
| Support costs allocated | Policy and Campaigning | 29,833 | 35,947 |
| | | <u>139,209</u> | <u>143,788</u> |

Support costs, which are costs not directly related to a specific activity, are principally allocated on staff numbers per activity percentages as follows: Casework and Support Services 57.14% (2018: 60%); Policy and Campaigning 21.43% (2018: 25%). The remaining 21.43% (2018: 15%) will be within the Core Activities of the charity.

THE ZACCHAEUS 2000 TRUST

**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2018**

9. CHARITABLE ACTIVITIES COSTS

| | 2019 | 2018 |
|---|----------------|----------------|
| | £ | £ |
| Wages and salaries | 440,324 | 452,009 |
| Pension costs | 12,154 | 5,418 |
| Donations and grants payable | 3,316 | 2,623 |
| Staff training | 1,254 | 7,133 |
| Project volunteer costs | 757 | 746 |
| Consultants costs | - | 3,989 |
| Recruitment | 2,279 | 2,666 |
| Office costs including rent and insurance | 61,416 | 62,668 |
| Travelling and subsistence | 807 | 1,142 |
| Communication and IT | 13,628 | 21,380 |
| Postage, printing and stationery | 4,921 | 3,975 |
| Subscriptions | 808 | 1,175 |
| Repairs and equipment hire | 6,469 | 7,932 |
| Accountancy and bookkeeping | 9,803 | 10,366 |
| Independent examiner | 600 | 600 |
| Legal and professional fees | 2,039 | - |
| AQS Monitoring Audit | - | 1,380 |
| Trustees expenses | - | 131 |
| Depreciation | 4,155 | 5,147 |
| | <u>564,730</u> | <u>590,480</u> |

Of the £564,730 expenditure recognised in the year (2018: £590,480), £40,275 (2018: £27,915) was charged to unrestricted funds and £524,455 (2018: £562,565) was charged to restricted funds.

10. NET INCOME/(EXPENDITURE)

This is stated after charging:

| | 2019 | 2018 |
|--|--------------|--------------|
| | £ | £ |
| Depreciation of tangible fixed assets: | 4,155 | 5,147 |
| | <u>4,155</u> | <u>5,147</u> |

11. INDEPENDENT EXAMINER'S REMUNERATION

The Independent Examiner's remuneration amounts to a fee of £600 (2018: £600)

12. STAFF COSTS

| | 2019 | 2018 |
|-----------------------|----------------|----------------|
| | £ | £ |
| Wages and salaries | 442,156 | 414,172 |
| Social security costs | 35,327 | 37,837 |
| Pension costs | 13,020 | 5,418 |
| | <u>490,503</u> | <u>457,427</u> |

One employee had employee benefits in excess of £60,000 (2018: 1).

No trustees (2018: no trustee) received re-imbursement of expenses during the year.

The key management personnel of the charity comprise of the trustees and senior managers (as detailed on page 4). The total employee benefits of the key management personnel of the charity were £146,458 (2018: £155,462).

THE ZACCHAEUS 2000 TRUST

**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2019**

13 STAFF NUMBERS

The average monthly number of full-time equivalent employees (including casual and part time staff) during the year was as follows:

| | 2019 Number | 2018 Number |
|----------------------------|------------------------|------------------------|
| Senior Management Team | 3 | 4 |
| Direct Charitable | 10 | 9 |
| Administrative and Support | <u>2</u> | <u>3</u> |
| | <u>15</u> | <u>16</u> |

14. TRUSTEES' REMUNERATION AND BENEFITS

The charity trustees were not paid or received any other benefits from employment with the charity in the year (2018: £Nil). During the year, no trustees were reimbursed for disbursements (2018 £Nil) in respect of fundraising and other related expenses.

No charity trustee received payment for professional or other services supplied to the charity (2018: £nil).

15. PENSION COSTS

The charity has a defined contribution pension scheme, which all employees are entitled to join. The charity contributes 4% and the employees contributed a minimum of 4% and employees may make further additional voluntary contributions.

During the year ended 31 December 2019, the charity's total contributions amounted to £13,020 (2018: £5,418).

The trustees are satisfied that any foreseeable change in employer's contributions can be budgeted for without detriment to the charity's on-going activities

16. TRANSACTIONS AND RELATED PARTIES

There were no material related party transactions during the year.

THE ZACCHAEUS 2000 TRUST

**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2019**

17. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

The key components from the prior year figures (2018) are analysed below by fund:

| | Unrestricted £ | Restricted £ | Total £ |
|---|-------------------|------------------|----------------|
| INCOME AND ENDOWMENTS FROM | | | |
| Donations and legacies | 13,051 | - | 13,051 |
| Charitable activities | | | |
| Grants | 150,234 | 409,883 | 560,117 |
| Other Income | - | - | - |
| Other trading activities | 6,061 | 16,971 | 23,032 |
| Investments | 919 | - | 919 |
| Other | 4,010 | - | 4,010 |
| Total Income | 174,275 | 426,854 | 601,129 |
| EXPENDITURE ON | | | |
| Raising funds: | - | 356 | 356 |
| Charitable activities | | | |
| Core Activities | 27,915 | 562,565 | 590,480 |
| Total | 27,915 | 562,921 | 590,836 |
| NET INCOME/(EXPENDITURE) | 146,360 | (136,067) | 10,293 |
| Transfers between funds | (123,951) | 123,951 | - |
| NET MOVEMENT IN FUNDS FOR THE YEAR | 22,409 | (12,116) | 10,293 |

THE ZACCHAEUS 2000 TRUST

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2019

18. TANGIBLE FIXED ASSETS

| | IT Office Equipment £ | Furniture & fittings £ | Totals £ |
|--------------------------|-----------------------------|------------------------------|---------------|
| COST OR VALUATION | | | |
| At 1 January 2019 | 37,376 | 1,731 | 39,107 |
| Additions | 3,133 | - | 3,133 |
| Disposals or scrapped | (8,876) | - | (8,876) |
| At 31 December 2019 | <u>31,633</u> | <u>1,731</u> | <u>33,364</u> |
| DEPRECIATION | | | |
| At 1 January 2019 | 31,799 | 1,168 | 32,967 |
| Charge for year | 3,966 | 189 | 4,155 |
| Disposals or scrapped | (8,876) | - | (8,876) |
| At 31 December 2019 | <u>26,889</u> | <u>1,357</u> | <u>28,246</u> |
| NET BOOK VALUE | | | |
| At 31 December 2019 | <u>4,744</u> | <u>374</u> | <u>5,118</u> |
| At 31 December 2018 | <u>5,577</u> | <u>563</u> | <u>6,140</u> |

19. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2019 £ | 2018 £ |
|-------------------|---------------|----------------|
| Grants receivable | 4,537 | 91,000 |
| Other debtors | 21,332 | 11,451 |
| Prepaid expenses | <u>16,052</u> | <u>15,022</u> |
| | <u>41,921</u> | <u>117,473</u> |

20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2019 £ | 2018 £ |
|--------------------------------------|----------------|----------------|
| Trade creditors | 2,639 | 1,891 |
| Social security and other taxation | 12,384 | 9,808 |
| Other creditors | 29,707 | 13,584 |
| Accrued expenses and deferred income | <u>188,394</u> | <u>113,359</u> |
| | <u>233,124</u> | <u>138,642</u> |

21. DEFERRED INCOME

| | 2019 £ | 2018 £ |
|------------------------------|----------------|----------------|
| Opening deferred income | 109,111 | 119,090 |
| Amounts deferred in the year | 660,356 | 550,138 |
| Released to income | (584,828) | (560,117) |
| Closing deferred income | <u>184,639</u> | <u>109,111</u> |

THE ZACCHAEUS 2000 TRUST

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2019

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Current year information for the net assets between funds:

| | Unrestricted Funds | Restricted Funds | 2019 Total Funds | 2018 Total Funds |
|---------------------|--------------------|------------------|------------------|------------------|
| | £ | £ | £ | £ |
| Fixed assets | 5,118 | - | 5,118 | 6,140 |
| Current assets | 430,250 | 52,989 | 483,239 | 312,910 |
| Current liabilities | (182,245) | (50,879) | (233,124) | (138,642) |
| | <u>253,123</u> | <u>2,110</u> | <u>255,233</u> | <u>180,408</u> |

Comparative year information for the net assets between funds:

| | Unrestricted Funds | Restricted Funds | 2019 Total Funds | 2018 Total Funds |
|---------------------|--------------------|------------------|------------------|------------------|
| | £ | £ | £ | £ |
| Fixed assets | 6,140 | - | 6,140 | 3,328 |
| Current assets | 264,942 | 47,968 | 312,910 | 351,756 |
| Current liabilities | (91,533) | (47,109) | (138,642) | (184,969) |
| | <u>179,549</u> | <u>859</u> | <u>180,408</u> | <u>170,115</u> |

23. MOVEMENT IN FUNDS – current year

| | At 1/1/19 £ | Net movement in funds £ | Transfers between funds £ | At 31/12/19 £ |
|-------------------------------|----------------------------|-------------------------------|---------------------------------|---------------------------|
| Unrestricted funds: | | | | |
| General Fund | 179,549 | 147,998 | (74,424) | 253,123 |
| | 179,549 | 147,998 | (74,424) | 253,123 |
| Restricted funds | | | | |
| Relief of Poverty Fund | 859 | 1,251 | - | 2,110 |
| Casework and Support Services | - | (74,176) | 74,176 | - |
| Policy and Campaigning | - | (248) | 248 | - |
| | 859 | (73,173) | 74,424 | 2,110 |
| TOTAL FUNDS | <u>180,408</u> | <u>74,825</u> | <u>-</u> | <u>255,233</u> |
| | Incoming resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
| Unrestricted fund | | | | |
| General fund | 227,839 | (79,841) | - | 147,998 |
| | 227,839 | (79,841) | - | 147,998 |
| Restricted funds: | | | | |
| Relief of Poverty Fund | 3,640 | (2,389) | - | 1,251 |
| Casework and Support Services | 311,513 | (385,689) | - | (74,176) |
| Policy and Campaigning | 137,500 | (137,748) | - | (248) |
| | 452,653 | (525,826) | - | (73,173) |
| TOTAL FUNDS | <u>680,492</u> | <u>(605,667)</u> | <u>-</u> | <u>74,825</u> |

THE ZACCHAEUS 2000 TRUST

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2019

23. MOVEMENT IN FUNDS – prior year

| | At 1/1/18 £ | Net movement in funds £ | Transfers between funds £ | At 31/12/18 £ |
|-------------------------------|-------------------------------------|-------------------------------------|-----------------------------------|------------------------------------|
| Unrestricted funds: | | | | |
| General Fund | <u>157,140</u> | <u>146,360</u> | <u>(123,951)</u> | <u>179,549</u> |
| | 157,140 | 146,360 | (123,951) | 179,549 |
| Restricted funds | | | | |
| Relief of Poverty Fund | 1,859 | (1,000) | - | 859 |
| Casework and Support Services | 11,116 | (126,540) | 115,424 | - |
| Policy and Campaigning | <u>-</u> | <u>(8,527)</u> | <u>8,527</u> | <u>-</u> |
| | 12,975 | (136,067) | 123,951 | 859 |
| TOTAL FUNDS | <u>170,115</u> | <u>10,293</u> | <u>-</u> | <u>180,408</u> |
| | | | | |
| | Incoming resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
| Unrestricted fund | | | | |
| General fund | <u>174,275</u> | <u>(27,915)</u> | <u>-</u> | <u>146,360</u> |
| | 174,275 | (27,915) | - | 146,360 |
| Restricted funds: | | | | |
| Core Specific | 3,500 | (3,500) | - | - |
| Relief of Poverty Fund | 2,752 | (3,752) | - | (1,000) |
| Casework and Support Services | 293,935 | (420,475) | - | (126,540) |
| Policy and Campaigning | <u>126,667</u> | <u>(135,194)</u> | <u>-</u> | <u>(8,527)</u> |
| | 426,854 | (562,921) | - | (136,067) |
| TOTAL FUNDS | <u>601,129</u> | <u>(590,836)</u> | <u>-</u> | <u>10,293</u> |

THE ZACCHAEUS 2000 TRUST

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED FOR THE YEAR ENDED 31 DECEMBER 2019

24. FUND DESCRIPTION

Unrestricted funds

The charity holds unrestricted funds for its general expenditure and some of the grant funding received is to support the core activities of the charity. The transfer of £74,424 from the general fund to the various restricted funds is to support the various charitable activities that the charity undertakes.

Grants were received this year from Edward Harvist Trust, Garden Court Chambers, London Legal Support Trust Funds, Oak Foundation, The A B Charitable Trust, The Fitzer Lacy Trust, Westminster Connect and Westminster Foundation for general core costs.

Restricted funds:

The Relief of Poverty fund comprises donations received from individuals and organisations. The funds are used to defray the debts of the poorest and most vulnerable members of society. Direct donations to individuals are also occasionally made to relieve poverty.

Grant funding was received again this year from various grant funders (detailed in note 4 to the accounts) to help fund various staffing posts within the specific projects which the charity undertakes, including funding from Allen & Overy, Esmee Fairbairn Foundation, Henry Smith Charity, John Ellerman Foundation, Lloyds Bank Foundation, Porticus UK, South West London Law Centres, Strand Parishes Trust, Trust for London and Westminster Amalgamated Charity.

New grants funding was received this year from City Bridge Trust, City of Westminster Council Ward Funding, Clifford Chance Foundation, Hyde Park Place Estate Charity, LHA London, Mrs Smith & Mount Trust and Nationwide Foundation.

25. OPERATING LEASE COMMITMENTS

Total future minimum lease payments for non-cancellable operating leases are as follows:

| | 2019 £ | 2018 £ |
|----------------------------|---------------|----------------|
| Expiring: | | |
| Within one year | 51,236 | 51,236 |
| Between one and five years | - | 51,236 |
| More than five years | - | - |
| | <u>51,236</u> | <u>102,472</u> |

26. CAPITAL COMMITMENTS

The Charity has authorised and contracted for expenditure of £Nil. The Charity has authorised but not contracted for expenditure of £Nil in its capital budget for the upcoming year.

27. LEGAL STATUS OF THE CHARITY

The Zacchaeus 2000 Trust is a private company (Company No: 05442501) incorporated in Great Britain and registered in England and Wales. The charitable company is limited by guarantee and has no share capital. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charity. The address of the registered office is given in the Legal and Administrative Information on page 1.