

## About Citylife

Citylife is a national charitable organisation supporting causes that give people a better future.

We are a society registered with the Financial Services Authority (FSA), recognised by HM Revenue and Customs as a charity and governed by independent trustees. As such Citylife is permitted to offer and issue certain bonds to the public in the United Kingdom based on the exemption under the Financial Services and Markets Act (section 85(5) and Schedule 11A). Our Charitable Bonds provide charities with a unique and innovative way to raise new funds for social benefit.

We also offer a range of support services for charities and social enterprises, including business support, social impact measurement and affordable workspace in our Cambridge centre.

## Interested?

If you want to know more about using a Charitable Bond to raise funds for your organisation, please talk to us.

bonds@citylifeltd.org

01223 323481

**“Here at Hays Travel we were delighted to invest in a Citylife Bond and support a project to regenerate local communities and help unemployed people get back to work. What’s more, the Bond is fully repayable so it doesn’t even cost us anything to help out. This is a fantastic scheme that we’re proud to be involved with.”**

**Hays Travel**

## A short guide to fundraising with Charitable Bonds

### Charitable Bonds are an innovative new tool for the fundraiser’s kit.

Traditionally, fundraising has relied mainly on asking people to give money away. Now, individuals, companies and trusts can also support social causes by investing money securely in a fixed-term Bond. By bringing capital together, Charitable Bonds can generate immediate funds for charity and ensure that investors get all their money back after five years.

### Why fundraise with a Bond?

With its unique money-back offer, a Charitable Bond enables supporters to give to charity even if they don’t feel able to make a donation, or to give more above what they can afford to donate.

#### The benefits:

- access a new income stream
- an attractive proposition to individuals and corporate investors
- a single, upfront tax-exempt grant that is unrestricted
- build long-term relationships with donors
- investment may be rolled over into another Bond or donated at maturity

**“The Bond is an easy way to help. A bit of surplus earning very little in a bank account can be put to better use.”**

**Margaret Drabble, former bondholder**

## How does it work?

Charitable Bonds work by providing a combination of grant funding and capital loans.

With the approval of its trustees, Citylife can create an offer of bonds on behalf of one or more charities. The bonds are available to purchase for a fixed period, usually three to six months, and may be bought by organisations and individuals in return for a bond certificate.

When the offer period closes, around 80%\* of the total raised is loaned by Citylife at a commercial rate to Registered Social Landlords (RSLs). These are not-for-profit housing providers regulated by the Tenant Services Authority, who use the loans to create urgently needed affordable housing for local communities and key workers.

The remaining 20% or so after costs is immediately given as a tax exempt grant to the charity (or charities).

After five years, the housing providers repay their loans with interest – taking the fund to its original 100% level – and bondholders are repaid in full.

So on an investment of £1000 for example, around £200 will go directly to charity while the rest will work to create affordable places to live. In effect, what investors give is the interest they might have received over five years had they put their money in a bank or invested it elsewhere.

\* Exact figure depends on commercial interest rates at time of issuing the loan

