



Report  
and  
Accounts

2006/07

## Contents:

Chairman's Statement.....	3
Chief Executive's Report.....	4
Directors' Report .....	6
Statement of Directors' Responsibilities and Corporate Governance .....	7
Independent auditor's report to the members of Citylife Limited .....	8
Revenue Account.....	9
Statement of Total Recognised Gains and Losses .....	9
Balance Sheet.....	10
Notes to the Accounts .....	11
Additional information.....	20
Acknowledgements .....	21

## Directors

Ram Gidoomal  
Michael Clark  
Charles Rosenmeyer  
Steve Mather  
Alan Craig  
Paul Doye  
Isla Smith

**Secretary** Tim Jones

**Registered Office** Citylife House  
Sturton Street  
Cambridge CB1 2QF

**Registered Auditors** **Mazars LLP**  
Chartered Accountants and Registered Auditors  
37 Frederick Place  
Brighton BN1 4EA

**Bankers** **The Co-operative Bank plc.**  
75 Burleigh Street  
Cambridge CB1 1DF

**Solicitors** **Wrigleys**  
19 Cockridge Street  
Leeds LS2 3AG

**Registered Number** **28861R**

---

## CITYLIFE LIMITED REPORT AND ACCOUNTS

### *The Society and its Mission*

**Citylife is a national charitable membership society.**

Its mission is to develop and issue social investment mechanisms that enable organisations, businesses and local people to finance solutions to counter disadvantage, exclusion, inequality and unemployment in their own communities.

Its vision is for a relational society where communities and neighbourhoods are good places in which to live, work and learn; where all members of society have access to the choices that will enable them to feel physically safe, financially secure, at peace with their neighbours, valued as part of their community and willing to balance personal gain with community benefit.

#### **Chairman's statement**

Citylife has been independently tackling challenges such as unemployment, enterprise start-up, affordable housing and poverty-related debt since 1999. It pioneered charitable Bonds to finance solutions to disadvantage.

I am delighted that £10m has been raised by 1,300 investments from people and organisations which, with matching and leveraging, has meant £35m being invested in local communities across the UK in support of many different causes.

The time is right for these Bonds to be used as a fundraising tool accessible to good causes everywhere, for charities and social enterprises across the country. According to the Government, 'The major public issues of our time – including tackling climate change, delivering economic prosperity, promoting greater community cohesion – have highlighted the need for ever greater citizen engagement'.

Our team has shown huge commitment to advancing the cause of ethical investment and social philanthropy. Chief Executive Tim Jones has recently been awarded the Judge Institute's Certificate in Enterprise, and shares his knowledge of the sector with Said Business School MBA students and regeneration students at Coventry University. Meanwhile Development Director Martin Clark's book on Social Enterprise is to be published during 2008. The team is ensuring that our social entrepreneurs of tomorrow have a blueprint to take forward.

We are grateful to all our investors and partners and particularly for David Ball's kind introduction to the Rugby Group Benevolent Fund whose very significant support has enabled us to create a centre for social enterprise and community groups. Hugh Duberly CBE, HM Lord-Lieutenant for Cambridgeshire, said in support 'the Rugby Benevolent Fund has shown a huge commitment to the advancement of social enterprise in Cambridge with this grant, and I wish Citylife every success with the Community Innovation Centre'.

Citylife is at an exciting crossroads and opening up the success of the Bonds so that all charities can benefit shows that Citylife really can benefit everyone. We look forward to even more success in the coming year.



**Ram Gidoomal CBE FRSA**  
**Chairman**

## **CITYLIFE LIMITED REPORT AND ACCOUNTS**

### **Chief Executive's Report**

Over the past 12 months, Citylife has seen major positive change in social investing. The term itself has become part of our everyday language, and more people are recognising the need for investing in their communities, and seeing the benefit of such change.

The Young Foundation report on 'Britain's Unmet Needs' illustrates that the State is looking to Social Enterprises to access appropriate investment capital so that poverty, the side effects of globalisation, the effects of weak and fractured families, psychic needs (such as depression and isolation) and the effects of harmful lifestyle (such as drug use, obesity, binge drinking) can be addressed.

Our team continues to change and flourish: Jane Foster left Citylife this year to pursue a career in floristry and Melissa Santiago-Val joined the team as Marketing Manager. Melissa was previously Marketing Manager for disability charity The Papworth Trust. She holds a Post-Graduate Certificate in Marketing and prior to Papworth, specialised in business-to-business communications in the corporate sector.

### **Citylife House**

Our base in Cambridge also offers around 12,000sq ft of incubation space for social enterprise and community groups, offering low-rent space in a central city location. Charity Red2Green has recently successfully expanded its scheme 'Reboot', to its own shop in Cambridge, following growth of the scheme at Citylife House. 'Reboot' supports people on the Autistic Spectrum back into work through recycling computers. Other users of the centre include the YMCA offering a training programme for young people into apprenticeships; a new music editing suite aimed at increasing self esteem, inclusion and skills training for socially excluded children; 209 Community Radio; a youth service for excluded/at risk children; and a variety of community groups also meet regularly at the centre. With the rise in parking fees in Cambridge city centre, Citylife also offers affordable parking to people working or needing city centre access.

### **Update on Bonds**

Over £2m has been raised across the three Sheffield Bonds issued to date. The yield from the latest Bond is being used to tackle doorstep debt and unemployment. This is a real example of a community knitting together for a common cause. An event to celebrate the success of the Bonds was hosted by Sir Bob Kerslake at the Sheffield Town Hall.

North East Enterprise Bond held an annual 'Investor update' at The Mansion House in Newcastle - excellent progress was made by both LaunchPad vehicles.

Welsh Coalfields Bond plans include a web-based awards platform: a number of partners have already committed to weblinks to the site which will be promoted through national and local government, schools, higher educational establishments, community groups and voluntary groups.

### **Future plans**

The Society's ambitious plans include an East-London based bond, with two key community centres keen to set this up. A Bristol based bond is planned and a variety of other Bonds addressing global warming, academies for education and micro credit for Africa are being developed.

We continue to lobby Government on Tax Relief for charitable Bonds with our partners, The Policy Partnership.

## **CITYLIFE LIMITED REPORT AND ACCOUNTS**

### **Chief Executive's Report (continued)**

To maximise the scope for success with marketing our Bonds to other charities, we are examining the fit of our existing brand with future aims and plans.

The next two years will see significant development in our Bonds turning them into a fundraising tool accessible to good causes everywhere. This will offer benefits to other charities whilst enabling Citylife to support more social enterprise opportunities with the revenue this will create: an exciting prospect.

### **Thank you to all of our supporters**

As we go forward we will be investigating new Bond opportunities and growing our portfolio of projects. We will research other fundraising initiatives to ensure we remain at the forefront of enabling organisations, businesses and local people to finance solutions to counter the disadvantage facing their own communities.

Your interest enables us to develop real solutions leading to a relational society. Thank you.

A handwritten signature in black ink, appearing to read 'Tim Jones', with a long horizontal flourish extending to the right.

**Tim Jones FRSA ACII**  
**Chief Executive and Secretary**

**28 February 2008**

## CITYLIFE LIMITED REPORT AND ACCOUNTS

### Directors' Report

The directors present their annual report and the audited financial statements for the year ended 31 August 2007.

### Activity

The principal activity of the Society during the year was to undertake research and practical initiatives into the relief of poverty of disadvantaged people within the United Kingdom, particularly by using social investment schemes such as its 'Employment Bond'. The Society is governed by the Industrial and Provident Societies Act 1965 to 1978.

### Review of developments and future prospects

The Chairman's and Chief Executive's Reports provide a comprehensive review of developments. The Society has declared a surplus for the year of £368. During the year the society's leasehold property was revalued creating an unrealised gain of £219,770.

### Dividends

The directors, in accordance with the Society's rules, do not recommend the payment of a dividend.

### Risk review

The directors have systematically examined the main business risks and agreed action plans designed to manage key areas of business risk in respect of governance, finance, operations and product diversification.

### The directors and their interests in shares of the Society

The directors of the Society who served during the year and their beneficial interests in the shares of the Society were as follows:

	Ordinary shares of £1 each	
	31 August 2007	31 August 2006
Michael Clark	10	10
Alan Craig	10	10
Paul Doye	10	10
Places for People Neighbourhoods (Nominee Director S Mather)	20,000	20,000
Charles Rosenmeyer	10	10
Isla Smith	10	10
Ram Gidoomal	10	10

### Auditors

A resolution to re-appoint Mazars LLP as auditors of the Society will be proposed at the next Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board



**Society Secretary**

**Tim Jones**

**Date 28 /2/2008**

Registered Office: Citylife House, Sturton Street, Cambridge, CB1 2QF

## **CITYLIFE LIMITED REPORT AND ACCOUNTS**

### **Statement of Directors' Responsibilities**

Industrial and Provident Society law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Society as at the end of the financial year and of the income and expenditure of the Society for that period. In preparing those financial statements, the directors are required to:

- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Society will continue in business.

The directors are responsible for keeping proper accounting records with respect to the Society's transactions and its assets and liabilities as are necessary to give a true and fair view of the state of affairs of the Society. They are also responsible for taking reasonable steps to safeguard the assets of the Society and to prevent and detect fraud and other irregularities.

The directors are responsible for ensuring that the directors' report and other information included in the annual report is prepared in accordance with Industrial and Provident Society law in the United Kingdom.

Each director has taken all steps that they ought to have taken in order to make themselves aware of any information relevant to the audit, establish that auditors are aware of that information and that there is no information relevant to the audit of which the society's auditors are unaware.

After making all appropriate enquires, and taking into account support expected from specific sources and in the light of other ongoing discussions, the Directors have reasonable expectation that the Society has adequate resources to continue in operation for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the Society's accounts.

### **Governance**

The Rules provide for members to elect, from among themselves, a board comprising a minimum of three directors. Whilst the Society is not regulated by the Charities Commission, it is a charitable institution and directors act in the capacity of charity trustees. The board may appoint and delegate powers to board committees comprising a minimum of two directors. Three permanent such committees are the Audit Committee (Isla Smith, Steve Mather and Paul Doye), the Remuneration Committee (Charles Rosenmeyer and Isla Smith) and the Nominations Committee (Michael Clark and Alan Craig).

A council may also be appointed by the members consisting of a minimum of five members who are not directors or officers of the Society.

## CITYLIFE LIMITED REPORT AND ACCOUNTS

### Independent auditor's report to the members of Citylife Limited

We have audited the financial statements of Citylife Limited for the year ended 31 August 2007 which comprises the revenue account, the balance sheet and the related notes 1 to 19. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Society's members, as a body, in accordance with section 9 of the Friendly and Industrial and Provident Societies Act 1968. Our audit work has been undertaken so that we might state to the Society's members those matters we are required to state to them in the auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Society and the Society's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the Society's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice). Our responsibility is to audit the financial statements in accordance with relevant United Kingdom 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 Industrial and Provident Societies Act 1965 to 1978 and whether the information given in the directors' report is consistent with the financial statements. We also report to you if, in our opinion, the Society 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 directors' remuneration and transactions with the Society is not disclosed.

#### Basis of audit opinion

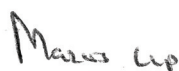
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the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

We planned and performed our audit so as to obtain all the 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, of the state of the Society's affairs as at 31 August 2007 and of its income and expenditure for the year then ended.
- the financial statements have been properly prepared in accordance with the Industrial and Provident Societies Act 1965 to 1978.
- the information given in the directors' report is consistent with the financial statements.



**Mazars LLP**, Chartered Accountants and Registered Auditors  
37 Frederick Place, Brighton, BN1 4EA

28/2/2008

## CITYLIFE LIMITED REPORT AND ACCOUNTS

### Revenue Account

Year ended 31 August 2007

	Note	2007 £	2006 £
<b>INCOME</b>	2	430,599	290,728
Charitable and other costs		<u>(430,231)</u>	<u>(373,331)</u>
<b>SURPLUS/(DEFICIT) BEFORE INTEREST</b>		368	(82,603)
Interest receivable and similar income	5	298,899	186,684
Interest payable and similar charges	6	<u>(298,899)</u>	<u>(186,684)</u>
<b>SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR</b>		<u>£368</u>	<u>£(82,603)</u>

All activities derive from continuing operations.

### Statement of Total Recognised Gains and Losses

Year ended 31 August 2007

	Note	2007 £	2006 £
<b>Net surplus/(deficit) for the year</b>		368	(82,603)
Unrealised gain in revaluation of fixed assets	17	<u>219,770</u>	<u>-</u>
<b>Total gains and losses recognised since 1 September 2006</b>		<u>£220,138</u>	<u>£(82,603)</u>

There is no material difference between the income/(expenditure) on ordinary activities for the year ended 31 August 2007 and its historical cost equivalent.

# CITYLIFE LIMITED REPORT AND ACCOUNTS

## Balance Sheet As at 31 August 2007


	Note	2007 £	2006 £
<b>FIXED ASSETS</b>			
Tangible assets	8	848,128	667,374
Investments	9	4,396,114	421,011
		<u>5,244,242</u>	<u>1,088,385</u>
<b>CURRENT ASSETS</b>			
Investments	10	-	1,812,994
Work in progress	11	45,974	127,623
Debtors	12	33,643	-
Cash at bank		31,365	42,537
		<u>110,982</u>	<u>1,983,154</u>
<b>CREDITORS: amounts falling due Within one year</b>	13	<u>(65,341)</u>	<u>(1,958,744)</u>
<b>NET CURRENT ASSETS</b>		<u>45,641</u>	<u>24,410</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>5,289,883</u>	<u>1,112,795</u>
<b>CREDITORS: amounts falling due after more than one year</b>	14	<u>(4,999,299)</u>	<u>(1,062,859)</u>
		<u>£290,584</u>	<u>£ 49,936</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	92,210	71,700
Revaluation reserve	17	218,776	-
Income and expenditure account	16	(20,402)	(21,764)
<b>SOCIETY SHAREHOLDERS' FUNDS</b>	18	<u>£290,584</u>	<u>£ 49,936</u>

These financial statements were approved by the board of directors on 28 February 2008.

Signed on behalf of the directors:



**S Mather**  
Director



**I Smith**  
Director



**T Jones**  
Society Secretary

# CITYLIFE LIMITED REPORT AND ACCOUNTS

## Notes to the Accounts Year ended 31 August 2007

### 1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The Society is incorporated under the Industrial and Provident Societies Act 1965. The particular accounting policies adopted are described below.

#### Accounting convention

The financial statements are prepared under the historical cost convention except for the revaluation of leasehold property.

#### Income

Income represents monies received from donations, grants from trusts and other bodies and income received from the issue of investment bonds (see note 5).

#### Grants receivable

Grants receivable are not recognised until the conditions for receipt have been met. Where grants relate to future accounting periods they are deferred and recognised in those future accounting periods. Grants that relate to capital are treated in accordance with the provisions of SSAP 4. Grants for immediate financial support and assistance or to reimburse costs previously incurred, are recognised immediately. Note 2 to these financial statements gives further disclosure of grants receivable in this financial period.

#### Tangible fixed assets

Depreciation is provided to write off the cost of fixed assets, less estimated residual value over their estimated useful lives at the following rates:

Leasehold property	Written down over the length of the lease
Computer equipment	33.3% per annum of original cost
Fixtures and fittings	20% per annum of original cost

#### Work in progress

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

#### Pension costs

The Society operates a defined contribution pension scheme. The costs of pension contributions that are due in respect of the year are charged directly to the profit and loss account.

#### Operating lease

Rentals payable under operating lease are charged on a straight-line basis over the term of the lease. Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

#### Revaluation

Individual freehold and leasehold properties are carried at current year value at the balance sheet date. A full valuation is obtained from a qualified valuer for each property every five years, with an interim valuation three years after the previous full valuation, and in any year where it is likely that there has been a material change in value.

Revaluation gains and losses are recognised in the statement of total recognised gains and losses unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the losses are recognised in the revenue account. The depreciation on the revalued amount that is in excess of the historical cost depreciation calculation is transferred from the revaluation reserve to the Income and expenditure account.

#### Investments

Investments are stated at market value at the balance sheet date.

## CITYLIFE LIMITED REPORT AND ACCOUNTS

### Notes to the Accounts Year ended 31 August 2007

#### 2. INCOME

The income is attributable to the principal activity of the Society and arises entirely within the United Kingdom. Included within income were grants receivable from the following bodies:

	2007	2006
	£	£
East of England Development Agency	50,691	162,936
North East Enterprise Bond	-	39,642
Rugby Group Benevolent Fund	180,000	15,000
The Coalfields Regeneration Trust	25,000	40,574
Westfield Contributory Health Scheme	-	5,000
Northern Rock	1,000	-
	<u>          </u>	<u>          </u>
Grand total	£256,691	£263,152
	<u>          </u>	<u>          </u>

#### 3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

There was one paid director on a fee basis whose aggregate emoluments were £12,000 including VAT (2006 £12,000).

	2007	2006
	No	No
<b>Average number of persons employed by the society in the year</b>	<u>          </u> 4	<u>          </u> 4
	£	£
<b>Staff costs incurred during the year in respect of these employees were:</b>		
Wages and salaries	145,039	124,910
Social security costs	13,726	12,515
Pension costs and insurance	12,054	9,500
	<u>          </u>	<u>          </u>
	£170,819	£146,925
	<u>          </u>	<u>          </u>

#### 4. OPERATING SURPLUS/(DEFICIT)

	2007	2006
	£	£
<b>Operating surplus/(deficit) is stated after charging:</b>		
Depreciation	8,162	6,028
Auditors' remuneration	2,500	2,500
	<u>          </u>	<u>          </u>

# CITYLIFE LIMITED REPORT AND ACCOUNTS

## Notes to the Accounts Year ended 31 August 2007

### 5. INTEREST RECEIVABLE AND SIMILAR INCOME

Interest receivable under guaranteed investment relating to:

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Newcastle	152,451	77,383
Sheffield 2	21,392	21,392
Sheffield 3	35,649	-
Wales	1,499	-
London	87,908	87,909
	<u>£298,899</u>	<u>£186,684</u>

### 6. INTEREST PAYABLE AND SIMILAR CHARGES

Bond finance charges in respect of:

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Newcastle Bond	152,451	77,383
Sheffield 2 Bond	21,392	21,392
Sheffield 3	35,649	-
Wales	1,499	-
London Bond	87,908	87,909
	<u>£298,899</u>	<u>£186,684</u>

### 7. TAXATION

The Society is exempt from corporation tax under Inland Revenue reference XR29468.

### 8. TANGIBLE FIXED ASSETS

<b>Cost</b>	<b>Leasehold Property £</b>	<b>Fixtures, fittings and computer equipment £</b>	<b>Total £</b>
At 1 September 2006	666,092	16,526	682,618
Additions	18,997	200	19,197
Disposals	(50,000)	(50)	(50,050)
Revaluation	214,911	-	214,911
	<u>850,000</u>	<u>16,676</u>	<u>866,676</u>
<b>As at 31 August 2007</b>			
<b>Depreciation</b>			
At 1 September 2006	3,034	12,211	15,245
Charge for the year	6,075	2,087	8,162
Disposals	(4,859)	-	(4,859)
	<u>4,250</u>	<u>14,298</u>	<u>18,548</u>
<b>As at 31 August 2007</b>			
<b>Net book value</b>			
As at 31 August 2007	<u>£845,750</u>	<u>£2,378</u>	<u>£848,128</u>
As at 31 August 2006	<u>£663,058</u>	<u>£4,316</u>	<u>£667,374</u>

The disposal included in leasehold property relates to the return of a deposit.

# CITYLIFE LIMITED REPORT AND ACCOUNTS

## Notes to the Accounts Year ended 31 August 2007

### 8. TANGIBLE FIXED ASSETS (CONTINUED)

Cost or valuation at 31 August 2007 is as follows:

	Leasehold Property £	Fixtures, fittings and computer equipment £	Total £
<b>At Cost</b>	-	16,676	16,676
<b>At valuation</b> 2007 open market basis	850,000	-	850,000
	<u>£850,000</u>	<u>£16,676</u>	<u>£866,676</u>

The leasehold land and buildings were revalued on 16 January 2007 by Savills Chartered Surveyors on an open market existing use basis. In the opinion of the directors, there was no material difference between this value and the value as at the year end date.

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2007 £	2006 £
Cost	635,089	-
Accumulated depreciation	(8,114)	-
Net book value	<u>£626,975</u>	<u>-</u>

# CITYLIFE LIMITED REPORT AND ACCOUNTS

## Notes to the Accounts Year ended 31 August 2007

### 9. INVESTMENTS - FIXED ASSETS

	Wales £	Sheffield 2 £	Sheffield 3 £	Newcastle £	Total £
<b>Bond loans</b>					
At 1 September 2006	-	387,140	-	-	387,140
Issued in the year	273,804	-	569,466	2,920,842	3,764,112
At 31 August 2007	273,804	387,140	569,466	2,920,842	4,151,252
<b>Accrued interest</b>					
At 1 September 2006	-	33,871	-	-	33,871
Accrued in the year	1,499	21,392	35,649	152,451	210,991
At 31 August 2007	1,499	55,263	35,649	152,451	244,862
<b>Total bond loans</b>					
At 31 August 2007	£275,303	£442,403	£605,115	£3,073,293	£4,396,114
At 31 August 2006	-	£421,011	-	-	£421,011

By the Trust Deeds, the investments are not subject to the limitations of the Trustee Investments Act.

The Society entered into an arrangement with North British Housing Association whereby an amount of £1,461,356 loaned in August 2002 was repaid at £1,900,900. The loan had been guaranteed by Co-operative Bank Plc.

A summary of bonds issued in the year is given below.

Bond Name	Issue Date	Loan Amount	Repayable Amount	Guaranteed By
Sheffield 3	31/07/06	£ 569,466	£ 734,000	Co-operative Bank Plc
North East Enterprise Bond	31/10/06	£2,920,842	£3,835,550	Northern Rock
Wales	31/07/07	£ 273,804	£ 363,750	Barclays Bank Plc

### 10. INVESTMENTS – CURRENT ASSETS

	2007 £	2006 £
Investment in London Bond (2006: Newcastle)		
- original liability to bond holders	1,461,356	1,511,356
- finance costs accrued	439,544	515,954
	1,900,900	2,027,310
Repaid August 2007 (2006: May 2006)	(1,900,900)	(2,027,310)
	-	-
Transferred from fixed asset investments:		
Investment in London Bond	-	1,461,356
Finance costs accrued	-	351,638
	-	£1,812,994

## CITYLIFE LIMITED REPORT AND ACCOUNTS

### Notes to the Accounts Year ended 31 August 2007

#### 11. WORK IN PROGRESS

	2007 £	2006 £
Costs incurred for future projects	£45,974	£127,623

#### 12. DEBTORS

	2007 £	2006 £
Other debtors	33,643	-
	<u>£33,643</u>	<u>-</u>

#### 13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007 £	2006 £
Bonds repayable within one year (London)	-	1,812,994
Bank overdraft	38,737	49,021
Other loans	-	22,777
Trade creditors	886	42,051
Other taxation and social security	8,419	6,178
Other creditors	10,499	20,395
Deferred income:		
Grant received Cambridge Project (see note 14)	6,800	5,328
	<u>£65,341</u>	<u>£1,958,744</u>

The Society repaid London bondholders £1,900,900 in August 2007.

## CITYLIFE LIMITED REPORT AND ACCOUNTS

### Notes to the Accounts Year ended 31 August 2007

#### 14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2007 £	2006 £
Other creditors:		
Original liability to bondholders:		
Wales	273,804	-
Sheffield 2	387,140	387,141
Sheffield 3	569,466	-
Newcastle	2,920,842	-
Finance costs accrued:		
Wales	1,499	-
Sheffield 2	55,263	33,870
Sheffield 3	35,649	-
Newcastle	152,451	-
Deferred income:		
Grant received Cambridge Project	603,185	641,848
	<u>£4,999,299</u>	<u>£1,062,859</u>

The Society has an obligation to repay Sheffield 2 bondholders £484,100 in January 2011. The obligations of the Society to the bondholders have been secured by a charge over the guaranteed investments (see note 9). Interest income accruing is being recognised evenly over the investment period of 5 years.

The Society has an obligation to repay Sheffield 3 bondholders £734,000 in July 2011. The obligations of the Society to the bondholders have been secured by a charge over the guaranteed investments (see note 9). Interest income accruing is being recognised evenly over the investment period of 5 years.

The Society has an obligation to repay Newcastle bondholders £3,835,550 in October 2011. The obligations of the Society to the bondholders have been secured by a charge over the guaranteed investments (see note 9). Interest income accruing is being recognised evenly over the investment period of 5 years.

The Society has an obligation to repay Wales bondholders £363,750 in July 2012. The obligations of the Society to the bondholders have been secured by a charge over the guaranteed investments (see note 9). Interest income accruing is being recognised evenly over the investment period of 5 years.

Industrial Provident Societies are exempt charities as per Schedule 2 of the Charities Act 1993 and as a result, are not subject to the Charity SORP 2005 or the accounting regulations of the 1993 Act. Consequently, capital grants have to be treated under the provisions of SSAP 4.

If the society was permitted to follow Charity SORP 2005 the society would be allowed to recognise the grant in full as income in the year of receipt and create a restricted fund reserve in the balance sheet. However, the society has to follow SSAP 4 and this requires the society to match income against expenditure incurred to date and relevant depreciation. Income of £609,985 is currently deferred.

In the previous year, a grant towards this of £733,737 was received from East of England Development Agency, of which £162,936 was recognised in that year (see note 2). In the current year, a further £13,500 was received and an amount of £50,691 has been released as income.

## CITYLIFE LIMITED REPORT AND ACCOUNTS

### Notes to the Accounts Year ended 31 August 2007

#### 15. CALLED UP SHARE CAPITAL

Members must hold a minimum of 10 shares and the directors may allot additional shares upon application.

	2007 £	2006 £
Allotted, called up and fully paid £1 ordinary shares	71,700	71,690
Allotted £1 ordinary shares during the year	20,510	10
	<u>£92,210</u>	<u>£71,700</u>

During the year the society allotted share capital at par to assist its charitable activities.

#### 16. REVENUE ACCOUNT

	2007 £	2006 £
Balance brought forward	(21,764)	60,839
Retained surplus/(deficit) for the financial year	368	(82,603)
Depreciation transferred from revaluation reserve	994	-
	<u>£(20,402)</u>	<u>£(21,764)</u>

#### 17. REVALUATION RESERVE

	2007 £	2006 £
Balance brought forward	-	-
Leasehold property revalued in the year	219,770	-
Depreciation transferred from revaluation reserve	(994)	-
	<u>£218,776</u>	<u>-</u>

## CITYLIFE LIMITED REPORT AND ACCOUNTS

### Notes to the Accounts Year ended 31 August 2007

#### 18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2007 £	2006 £
Surplus/deficit for the financial year	368	(82,603)
Revaluation of leasehold property	219,770	-
New share capital subscribed	20,510	10
	<hr/>	<hr/>
Net addition to / (reduction in) society funds	240,648	(82,593)
Opening society shareholders' funds	49,936	132,529
	<hr/>	<hr/>
Closing society shareholders' funds	<u>£290,584</u>	<u>£ 49,936</u>

#### 19. RELATED PARTY TRANSACTIONS

During the year there was no overall controlling party.

## CITYLIFE LIMITED REPORT AND ACCOUNTS

### Additional information

The additional information, which comprises the management information, has been prepared from the accounting records of the society. While it does not form part of the statutory financial statements and is unaudited it should be read in conjunction with them.

### MANAGEMENT INFORMATION

Year ended 31 August 2007

	2007	2006
	£	£
<b><u>INCOME</u></b>		
Fees	103,368	1,978
Voluntary income	350	3,969
Grants	256,691	263,152
Miscellaneous income	68,043	18,980
Interest receivable	2,147	2,649
	<u>430,599</u>	<u>290,728</u>
<b><u>EXPENDITURE</u></b>		
Grants to employment agencies	33,935	35,000
Wages and salaries	170,819	156,125
Overhead costs	22,656	27,759
Travel and subsistence	10,317	7,794
Printing, stationery and postage	6,059	4,383
Consultants	17,403	13,591
Marketing and research	46,743	68,288
Sundry expenses	4,976	3,808
Bank charges	3,074	2,455
Legal and professional fees	12,990	20,115
Depreciation	7,893	6,028
Irrecoverable VAT	11,717	37,185
Reduction (increase) in WIP	81,649	(9,200)
	<u>430,231</u>	<u>373,331</u>
<b>SURPLUS/DEFICIT ON ORDINARY ACTIVITIES</b>	<u>£ 368</u>	<u>£(82,603)</u>

# CITYLIFE LIMITED REPORT AND ACCOUNTS

## Acknowledgements

Citylife gratefully acknowledges the financial and in kind support of:

The Allen Lane Foundation	Rhondda Housing Association
Aqua Group	Rugby Group Benevolent Fund
Bradford & Bingley Plc	Sheffield City Council
Bridge House Estates Trust	Sir Halley Stewart Trust
Capita IRG plc	Taylor Vinters Solicitors
Carnegie UK Foundation	The Policy Partnership
Charities Aid Foundation	Trinity Mirror Newspapers
City Parochial Foundation	Westfield Health
Close Brothers Group	
Coalfields Regeneration Trust	
East of England Development Agency	
Esmee Fairbairn Foundation	
Eversheds	
Garfield Weston Foundation	
Genesis Housing Group	
Goldsmiths Company	
Greggs Foundation	
Johnston Press Plc	
Nomura International plc	
Northern Rock Foundation	
Places for People Group	
Principality Building Society	
Relationships Foundation	

Citylife House  
Sturton St  
Cambridge  
CB1 2QF

T: 01223 488400  
E mail [admin@citylifeltd.org](mailto:admin@citylifeltd.org)  
Web [www.citylifeltd.org](http://www.citylifeltd.org)

Citylife Ltd is registered with the Financial Services Authority under the Industrial and Provident Societies Act 1965 No. 28861R and recognised as a charity by the Inland Revenue No. XR29468  
Registered office: Citylife House, Sturton St, Cambridge CB1 2QF

---