



Report  
and  
Accounts

2007/08

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## 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 greets 2009 as an important year in its history: it is now 10 years since we pioneered the way for people to invest in social issues. This has enabled us to tackle challenges such as unemployment, enterprise start-up, affordable housing and poverty-related debt: these days more commonly referred to as Social Enterprises.

We are grateful to all our investors and partners, particularly the Royal Bank of Canada for underwriting part of the funding for the East London Bond, currently being developed and Jim Griffiths and Gibson Developments without whose funding our new interim social enterprise centre in Newmarket Road in Cambridge could not have been refurbished. Indeed we would not have had the building at all without the generous foresight of Chartfront, the owner which has enabled us to use the centre for social benefit. This new centre has quickly become vibrant with a number of socially-based organisations and individuals.

Looking ahead, the grant secured from the East of England Development Agency means that we will be able to purchase land for our planned purpose-built centre in conjunction with Cambridge Regional College. The centre will act as a social enterprise and environmental beacon campus for the region, and we will be launching a major fundraising and development campaign over the next two years to bring the project to fruition.

Our Chief Executive Tim Jones continues to advance the cause of ethical investment and social philanthropy having been invited to be the Social Enterprise Consultant to Oxford University Said Business School. Also within the talented Citylife team, I am thrilled that Martin Clark has written 'The Social Entrepreneur Revolution - Doing good by making money, making money by doing good'. This book not only demonstrates deep knowledge, understanding and importance of social enterprise, but offers a blueprint on how budding entrepreneurs can make a positive impact on others. I am delighted he has kindly donated 25% of royalties to Citylife and would encourage you to read the book.

The current economic situation in fact offers real opportunities for donors to support charitable causes in a different way through Bonds, and I am delighted to see new ones in development.

At Citylife we will continue advancing the cause of social enterprise and social investment, and we look forward to an exciting year.

**Ram Gidoomal CBE CCMi FRSA**  
Chairman

**20 February 2009**



## CITYLIFE LIMITED REPORT AND ACCOUNTS

### Chief Executive's Report

This is a year of challenge and opportunity for Citylife. Cash flow – as for all organisations in these 'credit-crunch' days – drives much of what we can, and can't, do. As the country tightens its belt so donations to third sector organisations come under budget pressures and funding dries up.

It also, however, creates an urgent opportunity for Citylife to significantly increase its contribution to the fabric of our society and we're responding in two ways.

Firstly, we're making our **charitable Bond available as a fundraising tool** to other organisations.

We see no shortage of demand for capital from the social housing sector: the margins that banks now seek are so wide, and the availability of credit so restricted, that the take up by Registered Social Landlords of Bond proceeds is forecast to remain strong – and at reasonable yields. We are in discussion with officials from the Bank of England and the Government regarding the provision of bank guarantees for our Bonds and their potential use as a tool for mobilising much needed capital to help both the social housing sector and the provision of supplemental funding for the third sector. We continue too to urge government to encourage the provision of social savings in this way with some form of tax incentive similar to Gift Aid or Community Investment Tax Relief.

**Existing charitable Bonds** continue to go from strength to strength.

The Talent Awards Fund – the superb outcome of the **Welsh Coalfields Bond** – is delivering some fantastic results with grants being awarded to really exciting rising stars from that part of the UK. Do have a look at the web-site [www.latent2talent](http://www.latent2talent) – itself the result of an award to Young Wales – and see the latest news.

The **North East Enterprise Bond** initiative is thriving with the team taking the mobile 'Launchpads' to promote enterprise at events across the region. With investment support not only from the private sector but also from the local authorities and the Regional Development Agency this Bond has truly built new bridges between the private and public sector.

The legacy of success of the three **Sheffield Bonds** continues, with their yields continuing to provide real answers to difficulties such as doorstep debt and unemployment. Citylife is working with the South Yorkshire Community Fund on a groundbreaking initiative to encourage bondholders to set up endowment funds for grassroots projects. As an incentive to donors, The Office of the Third Sector is providing £1.27m to match donations, which means that for every £1 invested by donors, the investment will be worth £3 to community projects.

**New charitable Bonds** are coming to fruition and being developed for

- Bromley by Bow Centre and Community Links in East London
- Microfinance in Africa
- Tomorrow's People in Bristol, Liverpool and East Sussex
- A children's hospice in Wales

Secondly, **Social Enterprise** – the idea of making money to do good, doing good to make money – is much in the news and remains at the heart of what we do. There are more than 55,000 social enterprises in the UK and the Government's action plan aims to open the door for thousands more, raising awareness of what they can achieve and encouraging more people to make a difference, either by involvement or investment. Citylife will remain very much at the forefront of enabling this through its work, centres, and ethos.

## CITYLIFE LIMITED REPORT AND ACCOUNTS

### Chief Executive's Report (continued)

We are promoting and enabling **social entrepreneurship** to help organisations create and sustain independent income streams of their own by informing, educating and supporting the sector on a number of fronts. The Social Entrepreneur Revolution by our Development Director, Dr Martin Clark, has been published by Marshall Cavendish; we are regularly presenting at Oxford, Cambridge and Coventry Universities and our direct provision of affordable workspace and nurture has increased to almost 40,000 sq ft as our second building, Eastern Court in Cambridge has opened.

Eastern Court offers affordable workspace with a variety of options including offices, studios, industrial units and an open-plan office-style hotdesking area that can hold 30 people at a time for anyone wanting shared space.

Tenants at the centre include charity Red2Green, which has now successfully launched the Cambridge Online Auction shop, where people can sell goods on EBay while supporting those with learning difficulties to gain new skills. 'Reboot', meanwhile, is a social enterprise that services computers and offers refurbished models for sale whilst providing basic training and supported work space for people with varying needs. The service is part of iTrust and includes a dedicated IT services division called Circuit Riders. Other tenants include The Royal Mencap Society and a number of independent co-workers getting support and advice in this socially-minded centre.

Our registered office, **Citylife House** in Cambridge, also has a further 12,000sq ft of space for social enterprise and community groups, offering low-rent space in a central city location. A range of charitable organisations and projects use the centre; 209 Community Radio, YMCA apprenticeship training, a County Council youth service for excluded/at risk children; and a variety of community groups meet regularly. The affordable parking continues to benefit people working or needing city centre access.

A highlight of the year has been the Grosvenor Estates initiative to encourage the University of Cambridge's cohort of Masters Students reading Real Estate Finance to report on the optimum development opportunities for Citylife House and its surrounding land in anticipation of our eventual move to a purpose built Social Enterprise Incubator where we will create a permanent resource for the sector. I am delighted to be able to report that the East of England Development Agency has offered a further £750,000 of support for this development.

The last twelve months have seen many changes to our economy and as a result to the way we work. We expect the next twelve to be equally challenging, exciting and rewarding.

Our thanks to all who fund, encourage and support us.



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

20<sup>th</sup> February 2009

## CITYLIFE LIMITED REPORT AND ACCOUNTS

### Directors' Report

The directors present their annual report and the audited financial statements for the year ended 31 August 2008.

#### 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 £17.

#### 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 2008	31 August 2007
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	1,010	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: 20/2/09**

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 2008 which comprise 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**

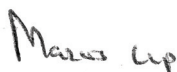
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 2008 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

**24 February 2009**

## CITYLIFE LIMITED REPORT AND ACCOUNTS

### Revenue Account

Year ended 31 August 2008

	Note	2008 £	2007 £
<b>INCOME</b>	2	229,939	430,599
Charitable and other costs		<u>(229,922)</u>	<u>(430,231)</u>
<b>SURPLUS BEFORE INTEREST</b>		17	368
Interest receivable and similar income	5	255,230	298,899
Interest payable and similar charges	6	<u>(255,230)</u>	<u>(298,899)</u>
<b>SURPLUS FOR THE FINANCIAL YEAR</b>		<u>£17</u>	<u>£368</u>

All activities derive from continuing operations.

### Statement of Total Recognised Gains and Losses

Year ended 31 August 2008

	Note	2008 £	2007 £
<b>Net surplus/(deficit) for the year</b>		17	368
Unrealised gain in revaluation of fixed assets	17	<u>-</u>	<u>219,770</u>
<b>Total gains and losses recognised since 1 September 2007</b>		<u>£17</u>	<u>£220,138</u>

There is no material difference between the income/(expenditure) on ordinary activities for the year ended 31 August 2008 and its historical cost equivalent.

# CITYLIFE LIMITED REPORT AND ACCOUNTS

## Balance Sheet As at 31 August 2008

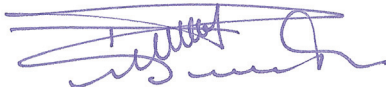
	Note	2008 £	2007 £
<b>FIXED ASSETS</b>			
Tangible assets	8	840,978	848,128
Investments	9	4,651,344	4,396,114
		<u>5,492,322</u>	<u>5,244,242</u>
<b>CURRENT ASSETS</b>			
Work in progress	11	122,072	45,974
Debtors	12	-	33,643
Cash at bank		52,452	31,365
		<u>174,524</u>	<u>110,982</u>
<b>CREDITORS: amounts falling due Within one year</b>	13	<u>(125,747)</u>	<u>(65,341)</u>
<b>NET CURRENT ASSETS</b>		<u>48,777</u>	<u>45,641</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		5,541,099	5,289,883
<b>CREDITORS: amounts falling due after more than one year</b>	14	<u>(5,229,498)</u>	<u>(4,999,299)</u>
		<u>£311,601</u>	<u>£290,584</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	113,210	92,210
Revaluation reserve	17	217,057	218,776
Income and expenditure account	16	(18,666)	(20,402)
<b>SOCIETY SHAREHOLDERS' FUNDS</b>	18	<u>£311,601</u>	<u>£290,584</u>

These financial statements were approved by the board of directors on 20 February 2009.

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 2008

### 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 2008

### 2. INCOME

The income is attributable to the principal activity of the Society and arises entirely within the United Kingdom.

#### INCOME

	2008	2007
	£	£
Fees	-	103,368
Voluntary income	10,100	350
Grants	131,531	256,691
Miscellaneous income	78,877	68,043
Interest receivable	9,431	2,147
	<u>229,939</u>	<u>430,599</u>

Included within income were grants receivable from the following bodies:

	2008	2007
	£	£
East of England Development Agency	25,031	50,691
Rugby Group Benevolent Fund	105,000	180,000
The Coalfields Regeneration Trust	-	25,000
Northern Rock	1,500	1,000
	-----	-----
Grand total	<u>£131,531</u>	<u>£256,691</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).

	2008	2007
	No	No
<b>Average number of persons employed by the society in the year</b>	<u>4</u>	<u>4</u>
	£	£
<b>Staff costs incurred during the year in respect of these employees were:</b>		
Wages and salaries	142,082	145,039
Social security costs	13,127	13,726
Pension costs and insurance	13,557	12,054
	<u>£168,766</u>	<u>£170,819</u>

### 4. OPERATING SURPLUS

	2008	2007
	£	£
<b>Operating surplus is stated after charging:</b>		
Depreciation	6,960	8,162
Auditors' remuneration	3,200	3,050
	<u>10,160</u>	<u>11,212</u>

# CITYLIFE LIMITED REPORT AND ACCOUNTS

## Notes to the Accounts Year ended 31 August 2008

### 5. INTEREST RECEIVABLE AND SIMILAR INCOME

Interest receivable under guaranteed investment relating to:

	<b>2008</b>	<b>2007</b>
	£	£
Newcastle	182,942	152,451
Sheffield 2	21,392	21,392
Sheffield 3	32,907	35,649
Wales	17,989	1,499
London	-	87,908
	<u>£255,230</u>	<u>£298,899</u>

### 6. INTEREST PAYABLE AND SIMILAR CHARGES

Bond finance charges in respect of:

	<b>2008</b>	<b>2007</b>
	£	£
Newcastle Bond	182,942	152,451
Sheffield 2 Bond	21,392	21,392
Sheffield 3	32,907	35,649
Wales	17,989	1,499
London Bond	-	87,908
	<u>£255,230</u>	<u>£298,899</u>

### 7. TAXATION

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

### 8. TANGIBLE FIXED ASSETS

	<b>Leasehold Property</b>	<b>Fixtures, fittings and computer equipment</b>	<b>Total</b>
	£	£	£
<b>Cost</b>			
At 1 September 2007	850,000	16,676	866,676
Additions	-	1,572	1,572
	<u>850,000</u>	<u>18,248</u>	<u>868,248</u>
As at 31 August 2008	850,000	18,248	868,248
<b>Depreciation</b>			
At 1 September 2007	4,250	14,298	18,548
Charge for the year	6,800	1,922	8,722
	<u>11,050</u>	<u>16,220</u>	<u>27,270</u>
As at 31 August 2008	11,050	16,220	27,270
<b>Net book value</b>			
As at 31 August 2008	<u>£838,950</u>	<u>£2,028</u>	<u>£840,978</u>
As at 31 August 2007	<u>£845,750</u>	<u>£2,378</u>	<u>£848,128</u>

## CITYLIFE LIMITED REPORT AND ACCOUNTS

### Notes to the Accounts Year ended 31 August 2008

#### 8. TANGIBLE FIXED ASSETS (CONTINUED)

Cost or valuation at 31 August 2008 is as follows:

	Leasehold Property £	Fixtures, fittings and computer equipment £	Total £
<b>At Cost</b>	-	18,248	18,248
<b>At valuation</b> 2007 open market basis	850,000	-	850,000
	<u>£850,000</u>	<u>£18,248</u>	<u>£868,248</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:

	2008 £	2007 £
Cost	635,089	635,089
Accumulated depreciation	(13,195)	(8,114)
Net book value	<u>£621,894</u>	<u>£626,975</u>

## CITYLIFE LIMITED REPORT AND ACCOUNTS

### Notes to the Accounts Year ended 31 August 2008

#### 9. INVESTMENTS - FIXED ASSETS

	Newcastle £	Sheffield 2 £	Sheffield 3 £	Wales £	Total £
<b>Bond loans</b>					
At 1 September 2007	2,920,842	387,140	569,466	273,804	4,151,252
At 31 August 2008	2,920,842	387,140	569,466	273,804	4,151,252
<b>Accrued interest</b>					
At 1 September 2007	152,451	55,263	35,649	1,499	244,862
Accrued in the year	182,942	21,392	32,907	17,989	255,230
At 31 August 2008	335,393	76,655	68,556	19,488	500,092
<b>Total bond loans</b>					
At 31 August 2008	£3,256,235	£463,795	£638,022	£293,292	£4,651,344
At 31 August 2007	£3,073,293	£442,403	£605,115	£275,303	£4,396,114

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

A summary of bonds issued is given below.

Bond Name	Issue Date	Loan Amount	Repayable Amount	Guaranteed By
Sheffield 2	24/01/05	£ 387,140	£ 494,100	Bradford & Bingley
Sheffield 3	31/07/06	£ 569,466	£ 734,000	Co-operative Bank Plc
Newcastle	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

	2008 £	2007 £
Investment in London Bond		
- original liability to bond holders	-	1,461,356
- finance costs accrued	-	439,544
	-	1,900,900
Repaid August 2007	-	(1,900,900)
	-	-

## CITYLIFE LIMITED REPORT AND ACCOUNTS

### Notes to the Accounts Year ended 31 August 2008

#### 11. WORK IN PROGRESS

	2008 £	2007 £
Costs incurred for future projects	£122,072	£45,974

#### 12. DEBTORS

	2008 £	2007 £
Other debtors	-	33,643
	-	£33,643

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

	2008 £	2007 £
Bank overdraft	-	38,737
Trade creditors	28,049	886
Other taxation and social security	10,082	8,419
Other loan	75,000	-
Other creditors	5,816	10,499
Deferred income: Grant received Cambridge Project (see note 14)	6,800	6,800
	£125,747	£65,341

The other loan attracts no interest and has no fixed repayment date. The loan will be used to help fund the issue costs of a new London bond.

## CITYLIFE LIMITED REPORT AND ACCOUNTS

### Notes to the Accounts Year ended 31 August 2008

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

	2008 £	2007 £
Other creditors:		
Original liability to bondholders:		
Sheffield 2	387,140	387,140
Sheffield 3	569,466	569,466
Newcastle	2,920,842	2,920,842
Wales	273,804	273,804
Finance costs accrued:		
Sheffield 2	76,655	55,263
Sheffield 3	68,556	35,649
Newcastle	335,393	152,451
Wales	19,488	1,499
Deferred income:		
Grant received Cambridge Project	578,154	603,185
	<u>£5,229,498</u>	<u>£4,999,299</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 £584,954 is currently deferred.

In the current year an amount of £25,031 has been released as income. from the deferred grant from the East of England Development Agency.

## CITYLIFE LIMITED REPORT AND ACCOUNTS

### Notes to the Accounts Year ended 31 August 2008

#### 15. CALLED UP SHARE CAPITAL

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

	2008 £	2007 £
Allotted, called up and fully paid £1 ordinary shares	92,210	71,700
Allotted £1 ordinary shares during the year	21,000	20,510
	<u>£113,210</u>	<u>£92,210</u>

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

#### 16. REVENUE ACCOUNT

	2008 £	2007 £
Balance brought forward	(20,402)	(21,764)
Retained surplus/(deficit) for the financial year	17	368
Depreciation transferred from revaluation reserve	1,719	994
	<u>£(18,666)</u>	<u>£(20,402)</u>

#### 17. REVALUATION RESERVE

	2008 £	2007 £
Balance brought forward	218,776	-
Leasehold property revalued in the year	-	219,770
Depreciation transferred to revenue account	(1,719)	(994)
	<u>£217,057</u>	<u>£218,776</u>

## CITYLIFE LIMITED REPORT AND ACCOUNTS

### Notes to the Accounts Year ended 31 August 2008

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

	2008 £	2007 £
Surplus/deficit for the financial year	17	368
Revaluation of leasehold property	-	219,770
New share capital subscribed	21,000	20,510
	<hr/>	<hr/>
Net addition to / (reduction in) society funds	21,017	240,648
Opening society shareholders' funds	290,584	49,936
	<hr/>	<hr/>
Closing society shareholders' funds	<u>£311,601</u>	<u>£290,584</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 2008

	2008	2007
	£	£
<b><u>INCOME</u></b>		
Fees	74,357	103,368
Voluntary income	10,100	350
Grants	131,531	256,691
Miscellaneous income	4,520	68,043
Interest receivable	9,431	2,147
	<u>229,939</u>	<u>430,599</u>
<b><u>EXPENDITURE</u></b>		
Grants to employment agencies	-	33,935
Wages and salaries	168,766	170,819
Overhead costs	32,125	22,656
Travel and subsistence	7,145	10,317
Printing, stationery and postage	1,318	6,059
Consultants	32,360	17,403
Marketing and research	10,114	46,743
Sundry expenses	1,769	4,976
Bank charges	3,257	3,074
Legal and professional fees	29,487	12,990
Depreciation	8,721	7,893
Irrecoverable VAT	10,958	11,717
Reduction (increase) in WIP	(76,098)	81,649
	<u>229,922</u>	<u>430,231</u>
<b>SURPLUS ON ORDINARY ACTIVITIES</b>	<u>£17</u>	<u>£368</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	

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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  
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