



**ANNUAL REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**



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A charitable company limited by Guarantee registered in England and Wales
Company No. 6215397 - Registered Charity No. 1119841

CENTRE FOR CITIES
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YEAR ENDED 31 DECEMBER 2013

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CENTRE FOR CITIES
LEGAL AND ADMINISTRATIVE INFORMATION
YEAR ENDED 31 DECEMBER 2013

BOARD OF TRUSTEES

Nigel Hugill (Chairman)

Stephen Ashworth

Susan Hitch

Sunand Prasad

Resigned 3 March 2014

Michael Parkinson

Alison Newton

Joanna Averley

Tom Riordan

Greg Clark

Appointed 12 February 2013

Andrew Varley

Appointed 4 June 2013

Alexander Plant

Appointed 3 March 2014

Martin Reeves

Appointed 3 March 2014

MANAGEMENT TEAM:

Alexandra Jones

Chief Executive

Andrew Carter

Deputy Chief Executive & Director of Research & Policy

Ben Harrison

Director of Partnerships

Anna Bullegas

Head of Operations

BANKERS:

HSBC Bank PLC

2nd Floor, 16 King Street

Covent Garden

London WC2E 8JF

REGISTERED AUDITORS:

HW Fisher & Company

Acre House

11-15 William Road

London NW11 3ER

REGISTERED OFFICE:

Enterprise House

59-65 Upper Ground

London SE1 9PQ

Centre for Cities is a registered charity (No 1119841) and a company limited by guarantee registered in England (No 6215397).

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2013

The Board of Trustees are pleased to present their Annual Report for the year to 31 December 2013. This combines the Directors' Report and Trustees' Report in accordance with the Companies Act 2006 and the Charities Act 2011 respectively, together with audited financial statements for the year.

REFERENCE AND ADMINISTRATIVE DETAILS

Centre for Cities ("the Centre") is an independent, non-partisan research and policy institute. The Centre is committed to helping Britain's cities improve their economic performance by producing practical research and policy solutions for city leaders, Whitehall and employers.

The Centre was initially established in 2005 as a team within the Institute for Public Policy Research. In 2007 it was independently incorporated as a company limited by guarantee (in England: No. 6215397) and registered as a charity (in England: No.1119841)

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Charity is governed by its Articles of Association, last amended on 11 April 2011.

Governing Body

The Board of Trustees, who are also Members and Directors of the Charitable Company, is self-appointing. A trustee's period of office is 3 years from the date of appointment or reappointment. A Trustee may be re-appointed by the trustees for a further period of 3 years.

New members of the Governing Body are elected on the basis of nominations from the Trustees and the executive officers based on the candidates' professional qualities, experience and personal competence.

The Trustees who served during the year are shown on the information page (1). In 2013, there were ten serving trustees, of whom Susan Hitch and Stephen Ashworth were appointed in 2007, (William) Nigel Hugill and Sunand Prasad in 2010, Alison Newton, Michael Parkinson in 2011, and Tom Riordan and Joanna Averley in 2012. Greg Clark and Andrew Varley were invited to join the Board in 2013, and Martin Reeves and Alex Plant were appointed in March 2014.

The Board of Trustees is responsible for the overall governance of the Charity. The Board meets quarterly to oversee the affairs of the Centre, and delegates day-to-day management issues to the Management Team.

Recruitment and training of Trustees

All new trustees are provided with an induction pack giving full details of how the Charity is constituted and operates. Any further information they require is provided by an appropriate senior person within the Charity.

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT (CONTINUED)
YEAR ENDED 31 DECEMBER 2013

Finance and Audit Committee

The Board of Trustees has established a Finance & Audit Committee, chaired by Stephen Ashworth. The purpose of the Finance & Audit Committee is to provide an independent oversight function in order to ensure that risks facing the Centre, financial or otherwise, are effectively reviewed and that annual financial statements are a true reflection of the activities of the Centre. The Finance and Audit Committee met three times in 2013.

Advisory Group

The Research Advisory Board assists the Centre for Cities' Research and Policy team, advising on how the research programme meets the Centre's mission and business plan objectives. The Research Advisory Board meets to comment on recent publications and advise on the future strategic direction of research.

The Management Team

The day to day management of the organisation is delegated to Chief Executive Alexandra Jones.

The Management Team is detailed on page 1.

Risk Management

The Trustees introduced a formal risk management process to assess business risks and implement risk management strategies in 2008. The established risk assessment system involves identifying the types of threats the Charity faces, prioritising them in terms of impact and recommending controls to mitigate them.

The major risks facing the Centre continue to be around securing sufficient funding and ensuring our work is of high quality. To manage risks around funding, we continue to look for a broad base of partners, where possible working on significant projects and with long-term relationships, at the same time as managing expenditure carefully, linking it to fundraising milestones. To ensure our work is relevant, accessible and high quality, we have a system of peer reviewers and seek advice from national politicians, cities and academics to ensure topics are relevant and will add value to the debate.

The Board is satisfied that, for all major risks, appropriate controls have been put in place and maintained to mitigate those risks adequately.

**CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2013**

OBJECTS, AIMS, OBJECTIVES AND PRINCIPAL ACTIVITIES OF THE CHARITY

Charitable Objects

The Centre's Objects, as set out in the Memorandum of Association are:

"To promote education for the public benefit in issues of economics and public policy in relation to cities and towns in the United Kingdom and elsewhere in the world and to promote for the public benefit research in the aforementioned fields and to publish the useful results of such research".

Mission and Ambition

The Centre's mission is to understand how and why economic growth and change takes place in cities in the UK and internationally in order to help British cities improve their economic performance.

Vision: A UK economy that makes the most of different cities' potential to drive sustainable economic growth and jobs.

Our three year ambition is that:

By 2016, the Centre will be indisputably the leading place to go to understand and influence the economic performance of British cities, for UK and international audiences. We will have:

- Put urban economies at the heart of national and local conversations about economic growth;
- Changed national and local policy and practice to ensure that policies are appropriate for, and support growth in, distinctive local economies;
- Become the first port of call for accessible and practical intelligence, insights and ideas that are used to improve urban economic growth.

By 2021, the Centre will have seen measurable improvements in city economies as a result of our work.

The 2014/15 research programme is designed to help realise this ambition. The programme is a combination of public engagement work, research, policy analysis, commentary on ideas and insights, advice and support, and convening and connecting stakeholders.

Principal Activities

The Centre fulfils its charitable objective in the following ways:

- **Producing high quality research:** The Centre publishes a range of short papers and longer reports on the economic performance of UK cities. This research is produced by an in-house team of experts, with input from external experts and partner cities. The research is of a high quality, drawing on a robust evidence base. To ensure public benefit, the Centre's reports and papers are available to the public free of charge on the Centre's website and the Centre presents these findings to varied audiences.

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2013

- **Influencing policy:** The Centre's research aims to influence policy by producing clear policy proposals on how to improve the economic performance of UK cities. Drivers of urban economic growth include: growing enterprise, innovation, strong labour markets and skills, transport, housing, finance and city leadership. Policy proposals are developed in consultation with Whitehall departments, political parties, local authorities and business organisations. The work is disseminated through a variety of media, including national, local and specialist media (print and online), social media and meetings. The Centre also holds public events (free of charge), to discuss and debate its research findings and policy recommendations. These include a programme of fringe events at all three party conferences each year.
- **Changing practice:** The Centre carries out its research in association with a number of partner and associate cities, including the elected leaders and chief executives of city councils. We also advise cities on policy documents they are producing and bring together networks of local and national decision makers from both the public and the private sector. This enables us to directly influence policies and practices within specific cities, and to publicise lessons from this work which are relevant to other cities.

Public Benefit

The Charity remains committed to the aim of providing public benefit in accordance with the Charities Act 2011.

The Trustees also confirm that, in carrying out its Principal Activities, the Centre provided public benefit during 2013.

The Centre regularly produces high-quality research reports and policy analysis that are independent of government, individual clients or companies. These are made available widely and free of charge to individuals, organisations, practitioners and others active in urban economic development. Together, these reports provide a robust evidence base on the economic performance of UK cities and towns for public access, thereby equipping the public with knowledge and information on issues affecting cities and towns.

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT (CONTINUED)
YEAR ENDED 31 DECEMBER 2013

ACHIEVEMENTS AND PERFORMANCE

Review of achievements and performance for the year

During 2013, the Centre successfully achieved the advancement of education for the public benefit, by strengthening and deepening our research on the drivers of urban economic success. We saw some of our recommendations become official policy, worked with government to influence the implementation of these policies, and worked closely with cities and businesses to support local economic growth.

Specific highlights that demonstrate our **impact** over the past year include:

- **Our annual flagship publication, Cities Outlook, now in its fifth year, was downloaded nearly 7000 times to date this year.** The findings were featured on a range of BBC radio programmes, regional TV interviews and national papers in print and online (including maps in the FT, the Times and the Independent).
- **Ministers and MPs across all parties tell us they make extensive use of the Centre's evidence base.** Examples include: Greg Clark, the Cities Minister, continues to draw on our work to make decisions about City Deals; Eric Pickles, the Secretary of State for Communities, praises the work we have done to understand city economies; Hilary Benn, shadow Secretary of State for Communities, has said how important our work has been to shaping the debate; and Jack Dromey, former Shadow Housing Minister, speaks at our events and told us how useful our work has been to policy thinking. Endorsements have been cross-party, including from Vince Cable, Secretary of State for Business; Chuka Umunna, shadow Secretary of State for Business; and Danny Alexander, Chief Secretary to the Treasury.
- **We have had a significant influence on City Deals, the response to Heseltine and Local Growth Deals in particular.** We continue to provide advice to the Cities Unit, in charge of the City Deals policy, and to HMT, BIS and CLG as they develop their response to Heseltine, with BIS asking us to host two cross-Departmental roundtables to debate Government's response to Heseltine. We have also worked with cities to inform their responses to Government.
- **National government officials tell us they find the Centre's evidence, advice and networks useful in formulating policy.** We have facilitated roundtables to provide advice on Local Growth Deals and the London Finance Commission. We have quarterly meetings with senior officials in Treasury, Cabinet Office, Communities and Local Government, Business, Innovation and Skills, Transport, and Work and Pensions, and they all tell us that they make use of our work.
- **City Councils tell us that they find our work useful, timely and informative.** Councillor Peter Box, Leader of Wakefield and Economy lead at the Local Government Association, uses our work to help shape the council's strategy, while Key Cities have drawn extensively on our advice when establishing their group and identifying their agenda for the next few years. We have formal high level advisory relationships with eight UK cities and visit and speak regularly to most of the 64 UK cities on which we focus. Past partner cities including Leeds, Sheffield, Derby, Hull, Portsmouth and Southampton have told us that their current economic strategies have drawn heavily on the work we've done with them.

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT (CONTINUED)
YEAR ENDED 31 DECEMBER 2013

- **Business tells us that our evidence and our events help them to understand how they can achieve their goals and support local economic growth.** Our events are regularly attended by representatives from property, law, accountancy, manufacturing and high-tech firms. Feedback is that our work is accessible, our new policy briefings help businesses understand complex policies, and our events help to overcome the communication barriers between businesses and local government in particular. Recent feedback from a Chamber of Commerce suggested that our reports are used to formulate policy because our work is "reliable and consistent".
- **In partnership with the London School of Economics and Arup, we won a bid totalling £3m over 3 years (our share being £680k) to run the What Works Centre for Local Economic Growth.** This is a Government and ESRC supported centre tasked with evaluating existing evidence about 'what works' when it comes to local economic growth, and disseminating this to national and local policymakers and businesses. It further strengthens the Centre's ability to understand what supports local economic growth.
- **People are increasingly interested in supporting our work, despite growing competition in the cities market.** We raised £406k in funds this year, including funding for the What Works Centre, and have already secured £147k for 2014.

During 2013, we published:

- **Eight major reports:** on local government finance, urban infrastructure funds, city businesses, developing city centres, low carbon cities, reducing urban youth unemployment, our annual *Cities Outlook* report, and a brand new annual output, the *SME Outlook*, exploring the risks and opportunities to small and medium sized businesses on a city by city basis.
- **Twelve short reports and policy briefings:** on the Budget, Heseltine's Single Pot, High Speed 2, business support programmes, immigration in cities, the Olympic Legacy, and local government finance reform;
- **Two partner city reports:** on innovation in Coventry & Warwickshire and the economy in the Solent area (Portsmouth, Southampton and the surrounding area).
- **A monthly labour market update:** including the latest data and analysis of employment trends in UK cities.

We have had an impact on policy and practice through strengthening our links with national government and the the 64 cities on which we focus. Activities in 2013 included:

- Holding high level policy workshops, working with cities, the private sector and national government;
- Holding quarterly meetings with senior officials across Whitehall and continue to build relationships with MPs and Ministers **worked closely with cities to inform their policies supporting economic growth, with activities including:**
- We have provided detailed policy advice and / or research reports to cities including: Southampton and Portsmouth, York, Coventry and Warwickshire, Hull, Milton Keynes, Cambridge, Oxford, Bournemouth and Reading.

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT (CONTINUED)
YEAR ENDED 31 DECEMBER 2013

We work hard to disseminate our research findings and create opportunities for our partners to learn from our work and from one another throughout the year. Activities during 2013, when we delivered 40 high level events, included:

- We held a Cities Question Time event with James Morris, Mark Easton and others, and hosted our third annual Parliamentary Reception, at which Greg Clark MP and Clive Betts spoke, and which was standing room only;
- We held a public event at each of the major party conferences and publicised this in the relevant city and through the conference packs. In addition, the Centre hosted a packed reception at Conservative party conference with Eric Pickles MP speaking, and held invitation-only roundtables to maximise opportunities to influence policy and practice, writing up these events so that the findings could be shared more widely.
- The Centre maintained a strong media presence, with spokespeople regularly called on for comment in the national, local and broadcast media. We continued to build up an effective online presence, with a growing audience for the website, blog and Twitter feeds.
- The Centre sends a regular e-newsletter to its 4,500 contacts, updating our contacts with the latest reports, events and news from the Centre. Registration for the newsletter is open to everyone via the Centre's website.

FINANCIAL REVIEW

Results for the year

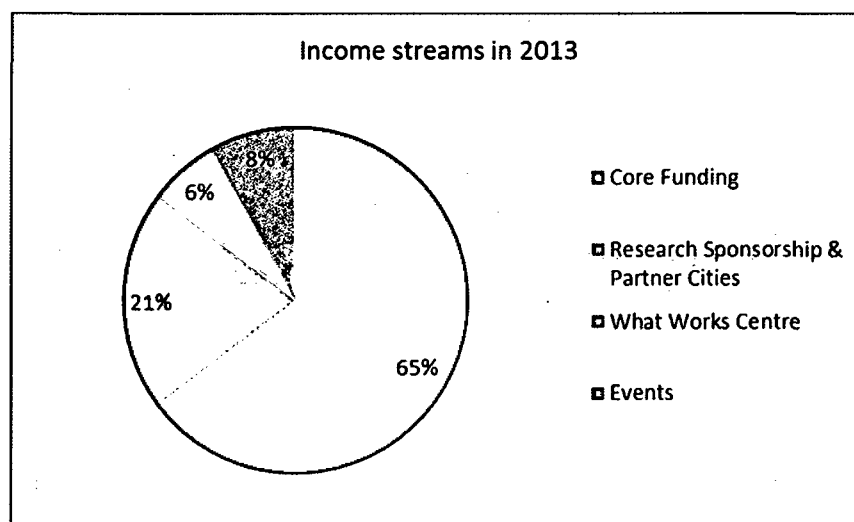
The Statement of Financial Activities, set out on page 15, shows that during 2013, the charity's income from unrestricted funds increased by 17.15% to £1,241,649 (2012: £1,059,883).

In 2013, the total research sponsorships including income from partner and associate cities amounted to £254.9K (2012: £220K). The income recognised in the 2013 accounts includes £118.8K of accrued income (2012: £54.5K).

Income streams in 2013

Core Funding (Gatsby Foundation)	£800K (2012: £800K)
Research Sponsorship & Partner Cities	£255K (2012: £220.3K)
What Works Centre Grant	£80K (2012: £NIL)
Events	£101K (2012: £38.4K)

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT (CONTINUED)
YEAR ENDED 31 DECEMBER 2013



The proportion of core funding in the total income was 11% lower than in 2012. The proportion of income from research sponsorship in the total income was up by 1%, and events sponsorship by 4%. The percentage increase of income from events in 2013 was 163% and the research income 16%.

In 2013, Centre for Cities carried on three main activities: 'Research', 'External Affairs' and 'What Works Centre'. The 'What Works Centre' was undertaken in co-operation with the London School of Economics and ARUP. It was funded by the ESRC and HM Government grant. It has been designed to support local economic growth around the country through research and events. The project will last until August 2016.

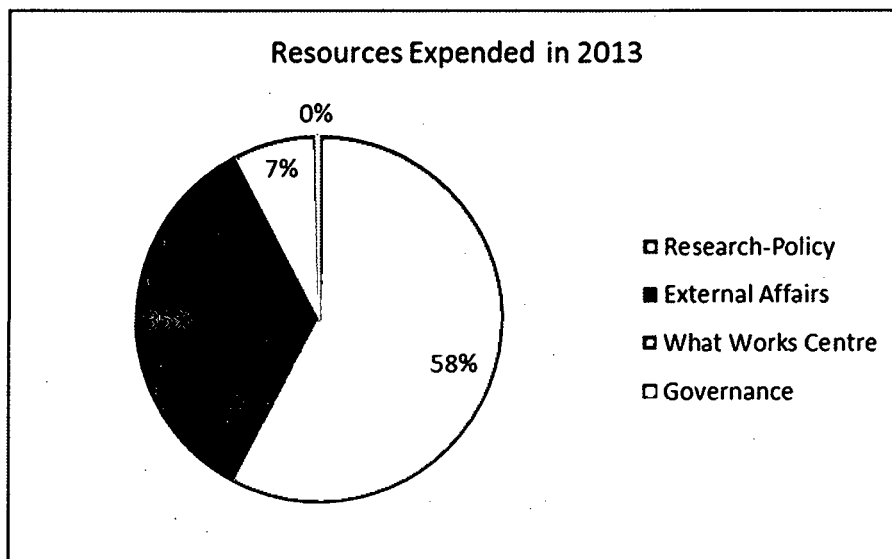
Resources expended

The Centre's unrestricted expenditure was £1,098,290 (2012: £1,006,909). The increase in expenditure was primarily due to higher salary costs and a higher number of events being held in 2013.

In 2013, the percentage of unrestricted resources expended by activity was:

- 58% of unrestricted resources were spent on Research-Policy (2012: 65%),
- 34.9% on External Affairs (2012: 34.3%)
- 7% on What Works Centre (2012: NIL)
- 0.04% on governance (2012: 0.4%).

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT (CONTINUED)
YEAR ENDED 31 DECEMBER 2013



As a result, the annual net balance on unrestricted funds were a surplus of £139,489 (2012: surplus £49,065).

The carried forward balance of unrestricted funds at 31 December 2013 was £599,629 (2012: £460,140).

The Balance Sheet (page 16) shows the unrestricted fund balance of fixed assets of £19,113 (2012: £7,932) with net unrestricted current assets totalling to £580,516 (2012: £452,208).

In 2013, there were no restricted funds.

Reserves Policy

The Gatsby Charitable Foundation supports Centre for Cities financially through core funding on an annual basis.

Reserves are required to:

- protect the continuity of the organisation's work in the context of uncertain future income streams
- replace capital expenditure or restructure the organisation;
- deal with the effect of any risks that materialise;
- allow the organisation to take on opportunities that may arise in a timely manner; and
- deal with the unexpected.

The Trustees' policy is that the level of reserves, defined as unrestricted net current assets, should not fall below £250,000. This reflects the size of the organisation and the size and nature of risks faced. The policy was reviewed in 2012 as a part of the annual reporting process.

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT (CONTINUED)
YEAR ENDED 31 DECEMBER 2013

Reserves held at 31 December 2013 amounted to £580,516. The trustees decided that in 2014, the charity would expend approximately £80K out of reserves to fund a new website and various research projects. Additional funds will be allocated for office relocation in order to guard against the increasing cost of operating from the present offices..

FUTURE PLANS

The Centre intends to continue meeting its charitable objects in the following ways during 2014:

Objectives for 2014

- 1. Policy-research:** Achieve policy impact with cities and all political parties through influencing the manifestos of all political parties through the Centre's "Cities Manifesto", made up of detailed policy proposals developed in partnership with cities, subject experts and national decision-makers. Continue to influence current policy and practice nationally and locally, including the remaining City Deals and forthcoming Local Growth Deals, through accessible and rigorous research and policy work that furthers understanding about what makes city economies successful.
- 2. Networks:** Run a high profile 'Think Cities' campaign that builds alliances with a wide range of thinkers, policymakers and practitioners. Run a series of influential events providing advice, insights and good practice to local and national decision makers across the public and private sectors, particularly during economic recovery and in the run-up to the election. Position the Centre as a first port of call for anyone seeking to influence policy and practice in city economies, through a combination of podcasts, blogs, articles, events and partnerships.
- 3. Team:** Continue to develop a confident and capable team who are able to deliver high quality, rigorous outputs that are timely and influential with our key contacts. Be innovative in ways that we develop our people, through formal training, informal development and secondments where appropriate, in order to grow and retain talent.
- 4. Finance:** Maintain £800k Gatsby funding, draw down £231k of What Works Centre funding, invest £1200k from reserves and raise £350k in additional funds.
- 5. Communications:** Run a high profile 'Think Cities' campaign that makes use of a variety of media. Build on our distinctive brand as a first port of call for anyone interested in learning about what works in city economies and aim to change the public conversation about cities through networks, online platforms, events and media. Continue to prioritise quality coverage and dissemination while maintaining quantity of media hits. Update and improve our website and digital presence.
- 6. What Works Centre:** Contribute to the establishment of a successful What Works Centre that is known for producing relevant, accessible and useful insights about 'what works'.

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT (CONTINUED)
YEAR ENDED 31 DECEMBER 2013

Trustees' responsibilities in relation to the financial statements

The Trustees, who are also the Directors of Centre for Cities for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare accounts for each financial year, which give a true and fair view of the state of affairs of the organisation and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the organisation will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the organisation and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the organisation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the trustees has confirmed that there is no information of which they are aware, which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

Auditors

In accordance with section 485 of the Companies Act 2006, a resolution proposing that H W Fisher & Company be reappointed as auditors of the company will be put to the Annual General Meeting.

On behalf of the Board of Trustees

.....
Nigel Hugill

3 July 2014
.....
Date

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF CENTRE FOR CITIES

We have audited the accounts of Centre for Cities for the year ended 31 December 2013 set out on pages 15 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charitable company for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2013, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Trustees' Report for the financial year for which the accounts are prepared is consistent with the accounts.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Andrew Rich

(Senior Statutory Auditor)

for and on behalf of H W Fisher & Company

Chartered Accountants

Statutory Auditor

Acre House

11-15 William Road

London

NW1 3ER

United Kingdom

Dated:

7/7/14

CENTRE FOR CITIES
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2013

Income and Expenditure	Notes	2013 £	2012 £
Incoming Resources			
Incoming resources from generated funds:-			
Grants & Donations		800,000	800,399
Interest Income		5,310	753
Incoming resources from charitable activities:-			
Research		254,916	220,321
External Affairs		101,335	38,410
What Works Centre		80,088	-
Total incoming resources		1,241,649	1,059,883
Resources Expended			
Charitable activities:	2		
Research-Policy		634,942	660,304
External Affairs		383,261	346,605
What Works Centre		80,088	-
		1,098,290	1,006,909
Governance Costs	5	3,870	3,909
Total resources expended	2	1,102,160	1,010,818
Net movement in funds		139,489	49,065
Balance brought forward at 1 Jan 2013		460,140	411,075
Balance carried forward at 31 Dec 2013		599,629	460,140

All operations are continuing and there are no recognised gains or losses for the year other than stated above.

The notes on pages 17 to 21 form part of these accounts

CENTRE FOR CITIES
BALANCE SHEET
FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	Total 2013 £	Total 2012 £
FIXED ASSETS	7	<u>19,113</u>	<u>7,932</u>
		19,113	7,932
CURRENT ASSETS			
Debtors	8	191,094	132,734
Cash at bank and in hand		<u>480,522</u>	<u>389,435</u>
		671,616	522,169
CREDITORS			
Amounts falling due within one year	9	<u>(91,099)</u>	<u>(69,961)</u>
		(91,099)	(69,961)
NET CURRENT ASSETS		<u>580,516</u>	<u>452,208</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>599,629</u>	<u>460,140</u>
Funds			
Unrestricted funds:		<u>599,629</u>	<u>460,140</u>
		599,629	460,140

Approved and authorised for issue by the Board of Trustees on
signed on their behalf by

3 July 2014 And

Trustee

Nigel Austin

The notes on pages 17 to 21 form part of these accounts

CENTRE FOR CITIES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2013

ACCOUNTING POLICIES

(a) Basis of preparation of accounts

The accounts have been prepared in accordance with the Companies Act 2006, the Statement of Recommended practice 2005 (SORP 2005) *Accounting and Reporting by Charities*, applicable accounting standards and the historic cost basis of accounting.

(b) Recognition of income

Income under grants, donations or sponsorship is recognised in the financial statement on a receivable basis. Income under contracts is recognised in the financial statement to the extent that entitlement to the income has been earned during the year through completion of the contract.

(c) Tangible fixed assets

Tangible fixed assets are stated at cost including any incidental expenses of acquisition and unrecoverable VAT where appropriate. All assets costing more than £1000 are capitalised.

Depreciation is calculated to write off the cost of fixed assets on a straight-line basis over their estimated useful lives. Depreciation is charged from the month of acquisition. The principal estimated useful lives for this purpose are:

Computer equipment and software	- 3 years
Fixtures and Fittings	- 5 years
Leasehold Improvements	- Over the life of the lease

(d) Funds

Funds which are expendable at the discretion of the Trustees in furtherance of the objectives or administration of the Charity are classified as unrestricted funds.

Restricted funds are funds which are subject to specific trusts and are expendable at the discretion of the trustees in furtherance of some particular aspect of the objects of the charity.

(e) Gift in kind

For accounting purposes, the recognition value of the gift in kind is the fair market value of the donated item. The fair market value is the price that would be agreed upon between a willing buyer and willing seller, with neither being required to act and both having reasonable knowledge of the facts.

(f) Expenditure

All expenditure has been recognised on the accruals basis.

CENTRE FOR CITIES
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2013

Governance costs relate to costs of the governance arrangements of the Charity and include the direct costs of Trustee committee meetings, audit fees and legal advice. All other costs are the result of undertaking the work of the Charity to meet its objectives and have been classified as resources expended on charitable activities.

To the extent that VAT is irrecoverable the cost is included and identified separately within the contract or functional area to which it relates and where appropriate VAT on Fixed Assets is capitalised.

(g) Pension Costs

The Charity has a money purchase scheme for qualifying employees. Pension costs charged to the statement of Financial Activities represent the contributions payable by the Charity in the period (see Note 4).

(h) Taxation

No taxation is payable due to the charitable status of the organisation.

(i) Operating leases

Operating lease costs are charged on a straight-line basis over the lease term.

CENTRE FOR CITIES
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2013

2 ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff No	Staff Costs £	Other Costs £	Depreciation £	Total £
Research-Policy	10	470,795	160,997	3,149	634,942
External Affairs	4	207,344	174,342	1,575	383,261
What Works Centre	1	55,450	23,763	875	80,088
Governance costs	-	-	3,870	-	3,870
Total	15	733,589	362,973	5,598	1,102,160

3 ANALYSIS OF OTHER COSTS

	Rent £	Recruitment £	Travel £	Training £	Other costs £
Research-Policy	80,186	-	7,457	3,624	69,730
External Affairs	40,093	2,030	16,885	1,812	113,521
What Works Centre	8,057	2,280	860	173	12,393
	128,336	4,310	25,202	5,609	195,645

4 STAFF COSTS

Total staff comprised:	2013 £	2012 £
Wages and salaries	623,304	547,996
Social security costs	64,139	56,165
Other pension costs	46,146	38,047
	733,589	642,208

The average number of employees during the period calculated on full-time equivalent basis	2013 15	2012 15
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Employees earning between £60,001-£70,000	1	-
Employees earning between £70,001-£80,000	-	-
Employees earning between £80,001-£90,000	1	1
Employees earning between £90,001-£100,001	-	-

Employer pension contributions for employees earning above £60,000	£15,029	£8,315
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CENTRE FOR CITIES
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2013

5	GOVERNANCE COSTS	2013	2012
		£	£
	Legal fees	-	6,349
	Auditors' remuneration	3,751	3,180
	Trustees' travel and subsistence	119	729
		<u>3,870</u>	<u>10,258</u>

During the year, one of the Charity's Trustees received reimbursement for travel & subsistence costs in the total amount of £119 (2012: £729). None received any remuneration.

6 RELATED PARTY TRANSACTIONS

There were no related party transactions during the period.

7 TANGIBLE FIXED ASSETS

	Leasehold Improvements £	Fixtures and Fittings £	Computer Equipment £	Total £
Cost or book value				
At 1 January 2013	214,848	48,082	63,963	326,893
Additions	-	1,097	15,682	16,779
At 31 December 2013	214,848	49,179	79,645	343,672
Accumulated depreciation				
At 1 January 2013	214,848	48,082	56,031	318,961
Charge for year	-	61	5,537	5,598
At 31 December 2013	214,848	48,143	61,568	324,559
Net book value				
At 31 December 2013	-	1,036	18,077	19,113
At 31 December 2012	-	-	7,932	7,932

All of the tangible fixed assets are principally used for direct charitable purposes

CENTRE FOR CITIES
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2013

8 DEBTORS

	Total 2013 £	Total 2012 £
Due within one year:		
Trade debtors	30,364	39,018
Prepayments	12,980	9,935
Other debtors	147,750	83,781
	191,094	132,734

9 CREDITORS - Amounts falling due within one year

	Total 2013 £	Total 2012 £
Trade creditors	10,372	14,823
Taxation and social security	41,303	25,523
Accruals	6,924	11,948
Other creditors	32,500	17,667
	91,099	69,961

10 OTHER FINANCIAL COMMITMENTS

Centre for Cities is committed to the following annual payments under operating leases expiring within:

	Property £	Other	Total 2013 £	Total 2012 £
One year	-	-	-	-
Two to five years	-	1,764	1,764	3,028
More than five years	-	-	-	-