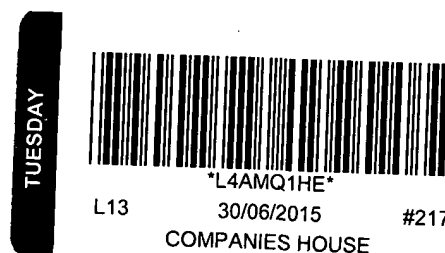




**ANNUAL REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**



Registered Office: Enterprise House, 59-65 Upper Ground, London SE1 9PQ
Telephone: 020 7803 4300 Fax: 020 7803 4301

www.centreforcities.org

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 2014

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CENTRE FOR CITIES
LEGAL AND ADMINISTRATIVE INFORMATION
YEAR ENDED 31 DECEMBER 2014

BOARD OF TRUSTEES

Nigel Hugill (Chairman)

Stephen Ashworth

Susan Hitch

Michael Parkinson

Alison Newton

Joanna Averley

Tom Riordan

Greg Clark

Andrew Varley

Alexander Plant Appointed 3 March 2014

Martin Reeves Appointed 3 March 2014

Alan Wilson Appointed 25 June 2014

Rosemary Feenan Appointed 19 November 2015

Nicola Yates Appointed 16 March 2015

MANAGEMENT TEAM:

Alexandra Jones	Chief Executive (maternity leave)
Andrew Carter	Interim Chief Executive
Ben Harrison	Director of Partnerships
Anna Bullegas	Head of Finance and 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 NW1 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 2014

The Board of Trustees are pleased to present their Annual Report for the year to 31 December 2014. 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).

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.

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 2014.

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT (CONTINUED)
YEAR ENDED 31 DECEMBER 2014

Research 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 Management Team

The day to day management of the organisation is delegated to Chief Executive Alexandra Jones. In her absence, the charity is managed by Deputy Chief Executive Andrew Carter.

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 on-going risks continue to be around securing sufficient funding and ensuring our work is of high quality and policy relevant. The funding risks are mitigated by engaging with a wide-range of potential sponsors and building long-term relationships with them. To ensure our work is of the highest standard and relevance we have a quality assurance and policy relevance process with internal and external checks at key stages to ensure that we are asking the right questions and developing the right answers in a robust and rigorous way.

The specific major risk in 2014 was the Chief Executive taking time off for maternity leave for part of the year (from November). Her absence could have potentially undermined the Centre's external credibility, fundraising and external affairs capacity, and internal management. This was mitigated by the appointment of Andrew Carter as the Interim Chief Executive. Andrew, the Centre's Deputy Chief Executive, is a very experienced colleague who has the necessary knowledge and expertise required to run the charity. He is supported by the Board of Trustees and a dedicated team.

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

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".

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2014

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 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 briefings, blogs, papers and 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 Centre For Cities free of charge on the Centre's website and the Centre presents these findings to varied audiences.
- **Influencing policy:** The Centre aims to influence policy by producing clear evidence-based policy proposals on how to improve the economic performance of UK cities. 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.

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 DECEMBER 2014

- **Changing practice:** The Centre carries out its research in association with partner and associate cities, including the elected leaders and chief executives of city councils. We also advise cities on policies 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 2014.

The Centre 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. In 2014 to further strengthen our work we introduced a set of practical papers called 'Delivering Change' which offer case studies from the UK and beyond on existing practice.

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.

We also continued our work on city economies and governance structures, contributing and leading the debates around devolution, combined authorities and partnership working.

ACHIEVEMENTS AND PERFORMANCE

Review of achievements and performance for the year

Over the course of the last 10 years the Centre has been a driving force in generating and influencing the public policy debate around the importance of city economies to the UK, and 2014 demonstrated just how far cities have climbed the national political and economic agenda.

We have seen a 'race to the top' on urban policy between the three main political parties over the last 12 months, with each declaring cities as the engines of future UK growth. The work of the Centre has been decisive in getting to this point, and throughout 2014 we were able to extend our influence and strengthen our position as being at the forefront of urban economic policy in the UK.

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT (CONTINUED)
YEAR ENDED 31 DECEMBER 2014

Examples of the Centre's activities and impact in 2014 include:

- **The Centre published 35 research-based outputs during 2014**, positioning the organisation at the heart of key national and local debates on housing, skills, education, innovation, enterprise and transport – each fundamental to the future performance of UK cities.
- **Our annual flagship publication, Cities Outlook 2014**, generated the largest response and highest profile coverage of any of the Centre's reports to date. It spurred a national debate in the media and amongst policy-makers about the role of London in the national economy which shaped the narratives of all three major political parties during the year, in particular the Adonis Growth Review and the Government's Northern Powerhouse initiative.
- **We have engaged with Ministers and MPs from across all major parties throughout the year** using the Centre's evidence base to inform their policy development. Examples include: The Chancellor's Northern Powerhouse initiative and HS3, which was underpinned by the Centre's analysis on the scale and linkages of northern city economies; The Deputy Prime Minister, who we worked closely with to deliver the Northern Futures Summit; Greg Clark, the Cities Minister, who has continued to draw on our work to make decisions about City and Growth Deals; Hilary Benn MP, shadow Secretary of State for Communities, who has spoken at a number of Centre for Cities events throughout the year; and Jon Cruddas MP, who used our work to inform the Labour Party's Policy Review process.
- Our **'Think Cities' campaign**, designed to put cities at the heart of national debates regarding the 2015 General Election, brought together contributions from senior politicians of all major parties – including Chuka Umunna MP, James Morris MP and Lord John Shipley – and spurred city campaigns and events in Newcastle, Glasgow, Nottingham, Birmingham and Bristol.
- **We have also made great strides in delivering on our long term objective to position the Centre as the first port of call for those interested in the future of UK cities.** The Centre's website has undergone a fundamental overhaul, featuring new resources like our interactive data tool, and for the first time is open to contributions from external experts and specialists, using videos and podcasts. We are increasingly asked to partner with international organisations such as the OECD, World Bank and Brookings Institution, and to host delegations of policymakers from cities across the world.
- **Through our leading role in the What Works Centre for Local Economic Growth** we have built a strong network of local authority leaders and policymakers keen to build a stronger evidence base around urban policy interventions, publishing a number of reports, and convening several well attended events through the year.
- **We have also continued to work closely with cities all across the country to support them in improving their economic performance.** We have worked closely with the Core Cities and Key Cities groups, and provided support to a range of places attempting to strengthen city-region working through the Local Growth Fund.

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT (CONTINUED)
YEAR ENDED 31 DECEMBER 2014

- **The Centre's public events programme ranged from research-related roundtables to major public launches and receptions.** The key highlight for the year was partnering with the Deputy Prime Minister on the Northern Futures Summit, with a range of panelists and experts including keynote speeches from Professor Edward Glaeser and Jim O'Neill. The event brought together over 300 senior participants from across the country to set out and debate new ideas to boost growth in the North. We also hosted roundtables with international speakers Governor Martin O'Malley from Maryland, Harvey Brookes from Auckland, and Professor Philip McCann from Netherlands.
- **During 2014 we continued to promote our research findings through national, regional and specialist press and broadcasters,** achieving blanket coverage for Cities Outlook 2014 on its release day and for several days afterwards. In addition, with cities high on the news agenda through the year, the Centre was able to proactively release statements and put forward spokespeople as new reports and announcements came out, resulting in over 30 appearances on national radio and television. We also have regular columns in the Municipal Journal, Local Government Chronicle and Planning. The research team contributes regularly to the blog on our website, and each member uses social media to engage in related discussions more generally.

FINANCIAL REVIEW

Results for the year

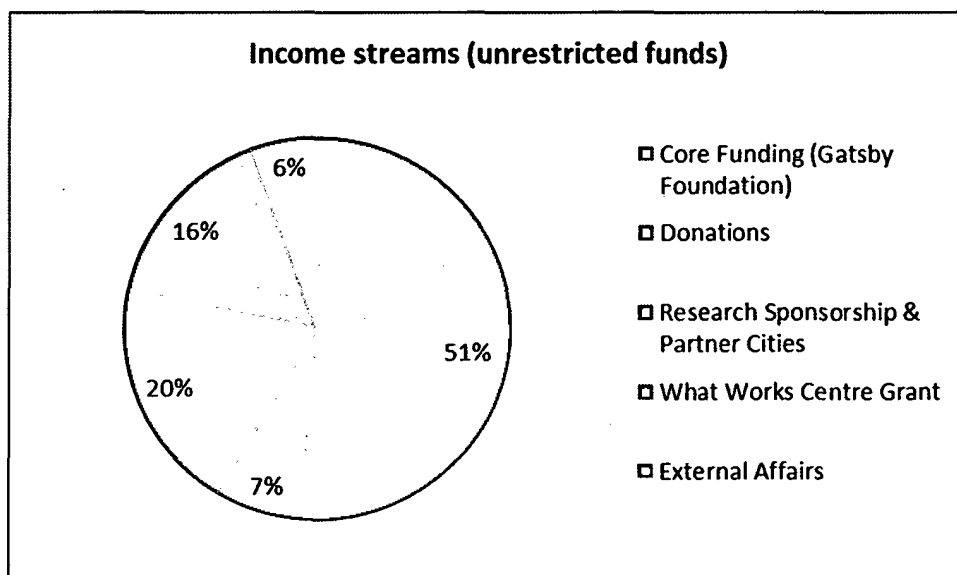
The Statement of Financial Activities, set out on page 14, shows that during 2014, the charity's income from unrestricted funds increased by 20% to £1,559,837 (2013: £1,241,649).

The total research sponsorships including income from partner and associate cities amounted to £306.7K (2013: £254.9K). The income recognised in the 2014 accounts includes £61K of accrued income (2013: £118.8K).

Income in 2014

Core Funding (Gatsby Foundation)	£800K (2013: £800K)
Donations	£110K (2013: £NIL)
Research Sponsorship & Partner Cities	£306.7K (2013: £254.9K)
What Works Centre Grant	£250K (2013: £80K)
External Affairs	£86.6K (2013: £101K)

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT (CONTINUED)
YEAR ENDED 31 DECEMBER 2014



In 2014, Centre for Cities carried on three main charitable activities: 'Research', 'External Affairs' and 'What Works Centre'. The 'What Works Centre' is a three year programme ending in August 2016. It has been undertaken in co-operation with the London School of Economics and ARUP. It is funded by the ESRC grant. It has been designed to support local economic growth around the country through research and events.

The 'Clusters' project was a piece of research funded by Lord Sainsbury of Turville. The donation received for this project was recognised in the accounts as restricted fund.

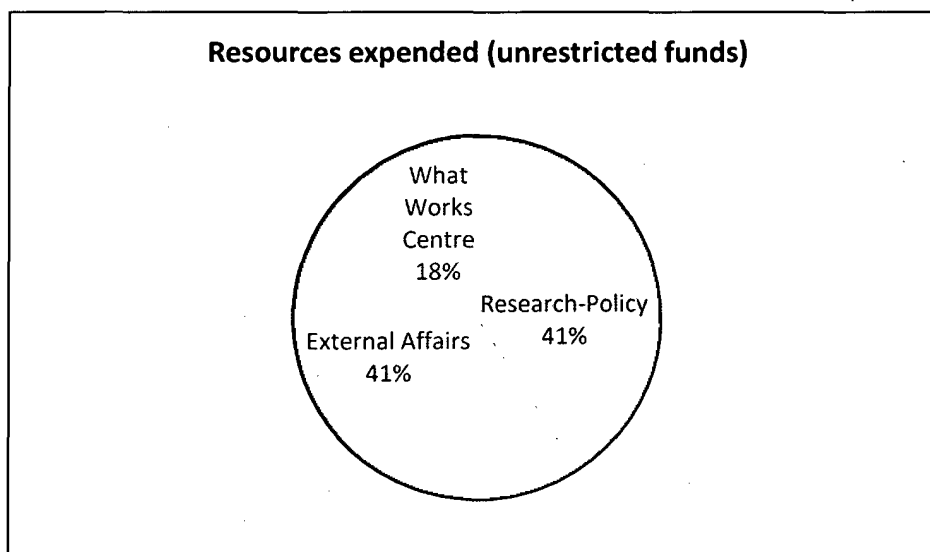
Resources expended

The Centre's unrestricted expenditure was £1,406,492 (2013: £1,098,290). The increase in expenditure was primarily due to higher salary costs and higher number of events being held in 2014.

In 2014, the percentage of unrestricted resources expended by activity was:

- 40.68% of unrestricted resources were spent on Research-Policy (2013:57.61%),
- 41.29% on External Affairs (2013: 34.77%)
- 17.75% on What Works Centre (2013: 7.27%)
- 0.29% on governance (2013: 0.35%).

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT (CONTINUED)
YEAR ENDED 31 DECEMBER 2014



The annual net balance on unrestricted funds was a surplus of £149,245 (2013: surplus £139,489).

The carried forward balance of unrestricted funds at 31 December 2014 was £748,874 (2013: £599,629).

The Balance Sheet (page 15) shows the unrestricted fund balance of fixed assets of £10,298 (2013: £19,113) with net unrestricted current assets totalling to £738,576 (2013: £580,516).

In 2014, there was one restricted fund.

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.

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT (CONTINUED)
YEAR ENDED 31 DECEMBER 2014

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.

Reserves held at 31 December 2014 amounted to £738,576. Part of reserves will be expended for maternity leave cover, and the Centre's research programme.

FUTURE PLANS

The Centre intends to continue meeting its charitable objects in the following ways during 2015:

Objectives for 2015

- 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" which provides 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 Devolution Agreements, City Deals and Local Growth Deals, through providing accessible and rigorous research and policy work that furthers the understanding about what makes city economies successful.
- 2. Networks:** Maintain our existing relationships with a wide range of thinkers, policymakers and practitioners. Run a series of influential events that provide analysis, insights and good practice to local and national decision makers across the public and private sectors. Strengthen our position 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 that is able to deliver high quality, rigorous research that is timely and influential with our key contacts. 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 £120k from reserves and raise £350k in additional funds.
- 5. Communications:** Build on our distinctive brand and profile 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:** Consolidate and expand the What Works Centre's activities about 'what works' in local economic growth.

CENTRE FOR CITIES
TRUSTEES' ANNUAL REPORT (CONTINUED)
YEAR ENDED 31 DECEMBER 2014

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


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 2014 set out on pages 14 to 20. 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 2014, 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: 25/6/15

CENTRE FOR CITIES
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2014

		Unrestricted 2014 £	Restricted 2014 £	Total 2014 £	2013 £
Income and Expenditure	Notes				
Incoming Resources					
Incoming resources from generated funds:-					
Grants & Donations		910,300	441,000	1,351,300	800,000
Interest Income		5,876		5,876	5,310
Incoming resources from charitable activities:-					
Research		306,684		306,684	254,916
External Affairs		86,620		86,620	101,335
What Works Centre		250,357		250,357	80,088
Total incoming resources		1,559,837	441,000	2,000,837	1,241,649
Resources Expended					
Charitable activities:	2				
Research-Policy		573,770		573,770	634,942
External Affairs		582,365		582,365	383,261
What Works Centre		250,357		250,357	80,088
Clusters	11		441,000	441,000	-
		1,406,492	441,000	1,847,492	1,098,290
Governance Costs	5	4,100		4,100	3,870
Total resources expended	2	1,410,592	441,000	1,851,592	1,102,160
Net movement in funds		149,245		149,245	139,489
Balance brought forward at 1 Jan 2014		599,629		599,629	460,140
Balance carried forward at 31 Dec 2014		748,874		748,874	599,629

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

The notes on pages 16 to 20 form part of these account

Company Registration Number 6215397 (England and Wales)

CENTRE FOR CITIES
BALANCE SHEET
FOR THE YEAR ENDED 31 DECEMBER 2014

		Unrestricted	Total
		2014	2013
	Notes	£	
FIXED ASSETS	7	<u>10,298</u>	19,113
		10,298	19,113
CURRENT ASSETS			
Debtors	8	267,015	191,094
Cash at bank and in hand		<u>750,116</u>	480,522
		1,017,131	671,616
CREDITORS			
Amounts falling due within one year	9	<u>(278,555)</u>	91,099
		(278,555)	91,099
NET CURRENT ASSETS		<u>738,576</u>	580,516
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>748,874</u>	599,629
Funds			
Unrestricted funds:		<u>748,874</u>	599,629
		748,874	599,629

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

And

Trustee

Nigel Hugill

15 June 2015

The notes on pages 16 to 20 form part of these accounts

CENTRE FOR CITIES
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2014

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 2014

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 2014

2 ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff No	Staff Costs £	Other Costs £	Depreciation £	Total £
Research-Policy	11	389,624	180,368	3,777	573,770
External Affairs	4	241,152	339,646	1,567	582,365
What Works Centre	3	191,860	55,096	3,401	250,357
Clusters	0	38,054	402,876	70	441,000
Governance costs	-	-	4,100	-	4,100
Total	18	860,690	982,087	8,815	1,851,592

3 ANALYSIS OF OTHER COSTS

	Rent £	Recruitment £	Travel £	Training £	Other costs £
Research-Policy	77,937	3,478	3,923	1,793	93,237
External Affairs	32,329	2,830	21,396	6,360	276,731
What Works Centre	20,386	661	1,479	359	32,209
Clusters	1,444	-	28	25	401,380
	132,096	6,969	26,826	8,537	803,558

4 STAFF COSTS

Total staff comprised:	2014	2013
	£	£
Wages and salaries	732,768	623,304
Social security costs	74,173	64,139
Other pension costs	53,749	46,146
	860,690	733,589

	2014	2013
The average number of employees during the period calculated on full-time equivalent basis	18	15
Employees earning between £60,001-£70,000	1	1
Employees earning between £70,001-£80,000	1	
Employees earning between £80,001-£90,000	1	1
Employer pension contributions for employees earning above £60,000	£23,113	£15,029

CENTRE FOR CITIES
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014

5	GOVERNANCE COSTS	2014	2013
		£	£
	Legal fees	48	-
	Auditors' remuneration	3,900	3,751
	Trustees' travel and subsistence	152	119
		<hr/>	<hr/>
		4,100	3,870

During the year, one of the Charity's Trustees received reimbursement for travel & subsistence costs in the total amount of £152 (2013: £119). None received any remuneration.

6 RELATED PARTY TRANSACTIONS

None.

7 TANGIBLE FIXED ASSETS

	Leasehold Improvements £	Fixtures and Fittings £	Computer Equipment £	Total £
Cost or book value				
At 1 January 2014	214,848	49,179	79,645	343,672
Additions	-	-	-	-
At 31 December 2014	214,848	49,179	79,645	343,672
Accumulated depreciation				
At 1 January 2014	214,848	48,143	61,568	324,559
Charge for year	-	366	8,449	8,815
At 31 December 2014	214,848	48,509	70,017	333,374
Net book value				
At 31 December 2014	-	670	9,628	10,298
At 31 December 2013	-	1,036	18,077	19,113

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 2014

8 DEBTORS

	Total 2014 £	Total 2013 £
Due within one year:		
Trade Debtors	54,968	30,364
Gift Aid Receivable	110,250	-
Prepayments	8,469	12,980
Other debtors	93,328	147,750
	267,015	191,094

9 CREDITORS - Amounts falling due within one year

	Total 2014 £	Total 2013 £
Trade creditors	20,067	10,372
Taxation and social security	66,048	41,303
Accruals	19,786	6,924
Other creditors	172,654	32,500
	278,555	91,099

10 OTHER FINANCIAL COMMITMENTS

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

	Property £	Other £	Total 2014 £	Total 2013 £
One year	-	-	-	-
Two to five years	-	1,264	1,264	1,764
More than five years	-	-	-	-

11 RESTRICTED FUNDS

'Clusters' was a piece of research funded by Lord Sainsbury of Turville. It was fulfilled by McKinsey & Co and managed by the Centre for Cities. The work created a snapshot of the most economically significant clusters in the UK in 2012 and provided recommendations around skills, infrastructure and investment in innovation.