

## Report and financial statements

For the year ended 31<sup>st</sup> December 2018

Company number: 08414909  
Charity number: 1151435



For the year ended 31 December 2018

Contents

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Reference and administrative information .....	1
Trustees' annual report .....	2
Independent auditor's report .....	16
Statement of financial activities (incorporating an income and expenditure account) .....	20
Balance sheet .....	21
Statement of cash flows .....	22
Notes to the financial statements .....	23

Centre for London (company no: 08414909, charity no: 1151435)

For the year ended 31 December 2018

Reference and administrative information

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<b>Company number</b>	08414909
<b>Country of incorporation</b>	United Kingdom
<b>Charity number</b>	1151435
<b>Country of registration</b>	England & Wales

<b>Registered office and operational address</b>	Unit 1 32-33 Hatton Garden London England EC1N 8DL
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**Trustees** Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Ms Elizabeth Peace CBE	Chair
Mr Paul King	Deputy Chair
Mr David Slater	Chair of the Finance Committee
Professor Michael Arthur	
Sir Mark Boleat	
Mr Tim Collerton	Resigned 18 <sup>th</sup> October 2018
Ms Rosie Ferguson	
Mr Ben Page	
Ms Sonal Shah	
Mr Andrew Travers	
Ms Catherine McGuinness	Appointed 26 <sup>th</sup> February 2019
Mr Stephen Bediako	Re-appointed 26 <sup>th</sup> February 2019
Mr Peter Lewis	Appointed 26 <sup>th</sup> February 2019
Mrs Fiona Carswell	Appointed 26 <sup>th</sup> February 2019
Mr Shashi Verma	Appointed 26 <sup>th</sup> February 2019

<b>Key management personnel</b>	Mr Ben Rogers	Director
	Mr Richard Brown	Research Director
	Ms Rachel Silveira	Operations Director

<b>Bankers</b>	The Co-operative Bank Plc PO Box 101, 1 Balloon Street Manchester, M60 4EP
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<b>Solicitors</b>	Bates, Wells & Braithwaite 10 Queen Street Place London, EC3R 1BE
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<b>Auditor</b>	Sayer Vincent LLP Chartered Accountants and Statutory Auditor Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL
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For the year ended 31 December 2018

Trustees' annual report

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The trustees present their report and the audited financial statements for the year ended 31 December 2018.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association, the requirements of a directors' report as required under company law, and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Since the charity qualifies as small under section 383, the strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Director's report) Regulations 2013 is not required. The report of the trustees has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

## Objectives and activities

### Purposes and aims

An independent think tank and a charity, Centre for London exists to develop new solutions to London's critical challenges and advocate for a fair and prosperous global capital. We publish research, stage events, convene and influence. We act as a critical friend to national and London government, encouraging policymakers to think beyond the next election cycle and plan for the future.

Our work is founded on a belief in the power of new, long-term, independent and evidence based thinking to help solve London's problems and achieve our vision for the capital. We believe it is better to invest 'upstream' in evidence, policy and strategic thinking, rather than pay for the downstream costs that result from their absence.

Research and analysis are at the heart of everything we do. Our ideas and arguments only have value if they are based on a robust understanding of the challenges and opportunities facing London and on a well-grounded analysis of options for reform.

But we aren't interested in research and ideas for their own sake – we aim to influence policy and practice, and to inform and further public debates, to effect practical change for London and Londoners.

We have worked on many research topics over the last decade - ranging from London rail services, to intermediate housing and employee ownership, minimum wage policy and charitable giving. Over the last few years, we have honed our focus to strengthen our expertise, increase our credibility and profile, and maximise our influence. Our work is currently organised under four broad priorities,

For the year ended 31 December 2018

Trustees' annual report

with two cross cutting concerns. Our selection of these priorities is based on our analysis of London's challenges combined with a sense of where we can have most impact.



The objectives of the charity are:

1. To undertake, publish and promote the useful results of non-partisan, objective research and to host public educational events and conferences in pursuit of the advancement of education for the public benefit in issues of economic, social, environmental and public policy which affect London and other cities;
2. To promote civic responsibility and sustainable development for the public benefit in London and other cities by:
  - 2.1 the preservation, conservation and the protection of the environment and the prudent use of resources;
  - 2.2 the relief of poverty and the improvement of the conditions of life in socially and economically disadvantaged communities; and
  - 2.3 the promotion of sustainable means of achieving economic growth and regeneration.

Sustainable development means “development which meets the needs of the present without compromising the ability of future generations to meet their own needs.”

The trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it was set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remain focused on its stated purposes.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

## Achievements and performance

The charity's main activities are described below. All its charitable activities focus on making London a fairer and more prosperous global city and are undertaken to further Centre for London's charitable purposes for the public benefit.

### *Reports published*

- Meanwhile, in London: Making use of London's empty spaces
- Made for London: Realising the potential of Modern Methods of Construction
- More, better, together: A strategic review of giving in London
- Borough Builders: Delivering more housing across London
- Places that work
- London Identities (digital launch)
- Human Capital: Disruption, opportunity and resilience in London's workforce
- Next Door Neighbours - collaborative working across the London boundary

### *Events*

- The London Conference: Working capital
- Under Pressure: The Way Ahead for London's Roads and Streets
- Palaces for the people – event series with Eric Klinenberg
- How can we increase the diversity of London's leaders public event
- Productivity roundtable
- Borough elections guide with OnLondon
- Gender pay gap public event
- Industrial Land and the London Plan

### *Other activities:*

- London ideas magazines, salons and roundtables
- Four issues of the London Intelligence online publication

## Influence and Impact

### *Policy wins and influencing*

- The government announced significant new funding to research the environmental impacts of electric vehicles, as we called for in our Street Smarts report. In December, the Mayor announced two new policies in line with the report; a scrappage scheme for the most polluting vans and the extension of the Congestion Charge to private hire vehicles.
- In July, Centre for London sent an open letter to James Brokenshire, Secretary of State for Housing, Communities and Local Government calling on government to let councils play a bigger role in housing delivery, by releasing the borrowing cap for councils and relaxing the restrictions on the use of Right to Buy Receipts. The letter was published by The Times, with 35 cross-party co-signatories including MPs, Lords, Assembly Members and London borough leaders. In September, the Prime Minister announced the removal of the borrowing cap for local authorities, as well as a consultation on Right to Buy.
- Following our More, Better, Together report, the Greater London Authority published a strategic review of giving in the capital, which drew on our work and reflected our recommendations. The City of London Corporation also published a strategy which reflected our report.
- In the Autumn Budget 2018, the Chancellor made various announcements about high streets, which drew on meetings between us and civil servants, and reflected recommendations from our research in Meanwhile, in London. These included a consultation on creating a more flexible and responsive 'change of use' regime that make it easier to establish new mixed-use business models on the high street, a trial register of empty shops with selected local authorities, and a trial brokerage service to connect community groups to empty shops.
- The London Mayor, and five Deputy Mayors spoke at our events in 2018.

**The Mayor of London, Sadiq Khan:** "Centre for London has made a major contribution to policy development and is an important champion for the city and all Londoners...We look forward at City Hall to continuing our partnership with the Centre – working together to create a fairer and more prosperous capital."

**Bharat Mehta, Chief Executive, Trust for London:** "Centre for London leads important thinking on the capital, bringing people together from different parts of the city to solve London's critical challenges."

**Val Shawcross CBE, Former Deputy Mayor for Transport** "Centre for London adds real value to London's political life."

**Shaun Bailey, London Assembly Member:** As a relatively new member of the London Assembly, I value the fresh thinking and independent analysis which Centre for London provides."

**Dianna Neal, Head of Economy, Tourism and Culture, London Councils** "The London Intelligence analyses public data and puts it together in one place. It makes me look at stats I wouldn't normally look at – like health and demography. It helps me keep informed on the issues facing the capital."

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### ***Communications and reach – educating the public about the key issues affecting London***

- Our work was covered **329 times** by the press in 2018, with **57 pieces of coverage in national outlets**. This compares to 220 mentions, including 43 pieces of national coverage in 2017 and 175 mentions with 42 pieces of national coverage in 2016;
- Our team wrote **35 comment pieces** for external media outlets in 2018. We have published 29 blog posts since launching the blog in June, and overall all blog posts have been viewed over 5,000 times to date;
- Our Twitter following grew by just under 2,000 people in 2018. We had **13,963 followers** at the end of December, up from 12,117 at the start of the year;
- Our website traffic in 2018 was up again, to **183,147 unique page views** during the year. This was up on 148,545 unique page views in 2017, and 132,649 in 2016.

## **Performance against objectives**

Centre for London's organisational objectives are drawn up by the Senior Management Team, with input from managers and the team as a whole, before being signed off by the Board of Trustees.

**Strengthen our policy influence** We completed our review of the team's influencing capacity and have created a plan to continue to grow our activity in this area into the next strategic plan, which includes continuing to strengthen relations with national government.

**Strengthen our profile as London's dedicated think tank** We achieved all our objectives in this area, securing a record amount of national and regional press coverage. Our senior staff increased their visibility through comment pieces and blogs, as well as radio and TV appearances. We launched a dedicated blog, which has had over 5,000 page views. We also enhanced our brand and visual identity and delivered communications and design training to the whole team.

**Maintain and strengthen the standard of our research and events** The research team launched eight research reports, at least two of which were considered as high impact and with direct influence on policy. New research products were developed and are starting to receive funding.

The events team delivered a highly successful London Conference with a record number of attendees, as well as a highly commended second conference. *London ideas* was conceived as an evolution of *London Essays*, with a particular focus on supporting and promoting urban innovation. The project included an event series, a publication and videos. The publication featured 28 high-level contributors; it was read online, was sent to London's leaders and was featured at high-level roundtables and public events. The events programme became better integrated across the organisation.

**Helping the organisation develop and grow** The new strategic plan (2019-2023) was developed during 2018 and was approved by the board in their first meeting of 2019.



For the year ended 31 December 2018

Trustees' annual report

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We were aware that a fundraising target of £1.2 million was going to be a challenge, however we felt it was appropriate for the team. We aimed to end the year with at least four months reserves, which we have achieved in the first quarter of 2019.

An organisational review of project management was conducted with a new system launched in early 2019, including oversight of the organisational calendar that will help with the management of workloads and increase productivity. A full review of all policies was conducted to reflect the organisational values, and bi-monthly learning lunches were very well received.

## **Beneficiaries of our services**

While Centre for London exists to create a fair and prosperous global capital, the Centre considers its direct beneficiaries to be the policymakers and practitioners who rely on our research to inform their work in London. When a policy is changed or a recommendation adopted as a result of our research, the Centre's work has the potential to benefit a much wider group – namely those whose lives, living standards or experiences are set to benefit from a new policy being implemented.

We calculate that our total beneficiaries in 2018 were:

- 1474 event attendees;
- 232 roundtable attendees;
- Number of people who received or downloaded a copy of our reports (56,061 unique website users, 2,308 newsletter subscribers, 1,000 reports sent to senior decision makers);
- People who read about our work in the media: reach of over 15 million.

The second group is much harder to quantify. However, the combined impact of our policy changes we have influenced (as outlined above) affects millions of lives across the country.

## **Events since the end of the year**

In the opinion of the Board of Trustees no event since the end of the financial year significantly affects the Company's financial position or makes it more vulnerable to other risks. In the first quarter of 2019, the centre has:

- Published and launched the research report: London, UK: Strengthening ties between capital and country;
- Published and launched the research report: Culture Club: Barriers to entry in London's cultural industries;
- Published and launched the research report on Next generation road user charging;
- Published and launched the research report on Kitchen Skills;
- Produced two editions of the London Intelligence;
- Hosted two events for our Partners Forum.

For the year ended 31 December 2018

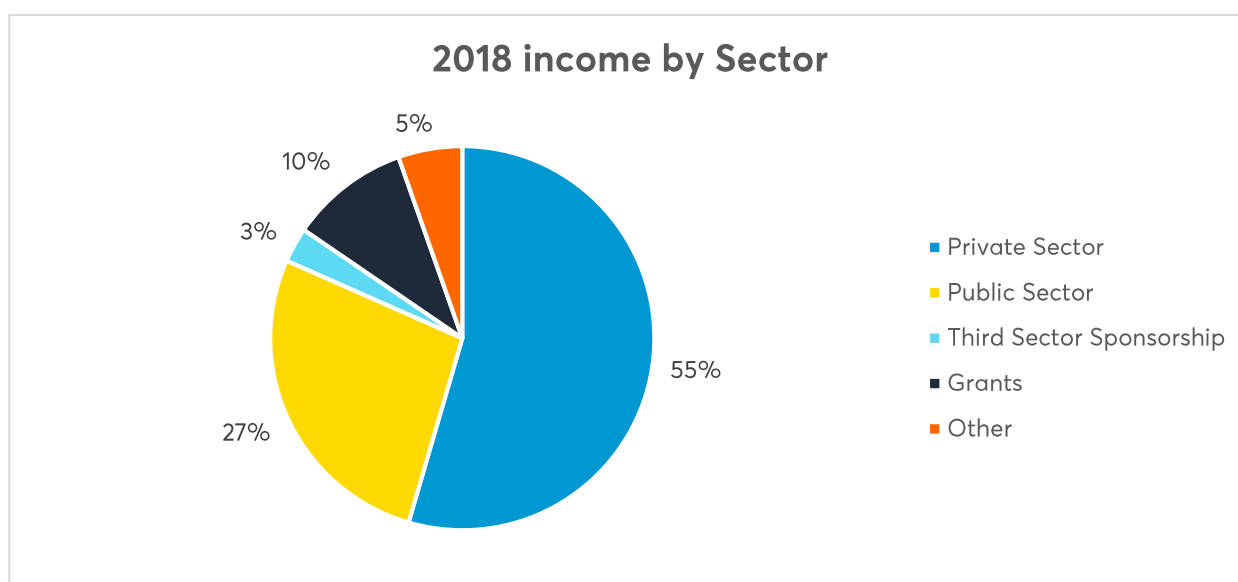
Trustees' annual report

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## Financial review

In the period to 31st December 2018, Centre for London received income of £1,123, 844 (2017: £950,114). Of this, £236, 744 (2017: £96,250) was restricted funds with £887,100 (2017: £853,864) unrestricted. Total spending amounted to £1,086,098 (2017: £1,009,110).

Approximately 55 per cent (2017: 48 per cent) of all funding secured during 2018 was research funding, 27 per cent (2017: 29 per cent) event funding, and 18 per cent (2017: 17 per cent) unrestricted core funding. Around 55 per cent (2017: 58 per cent) of funding came from the private sector, 2 per cent (2017: 12 per cent) from the public sector and 10% from grants and foundations (2017: 21 per cent).



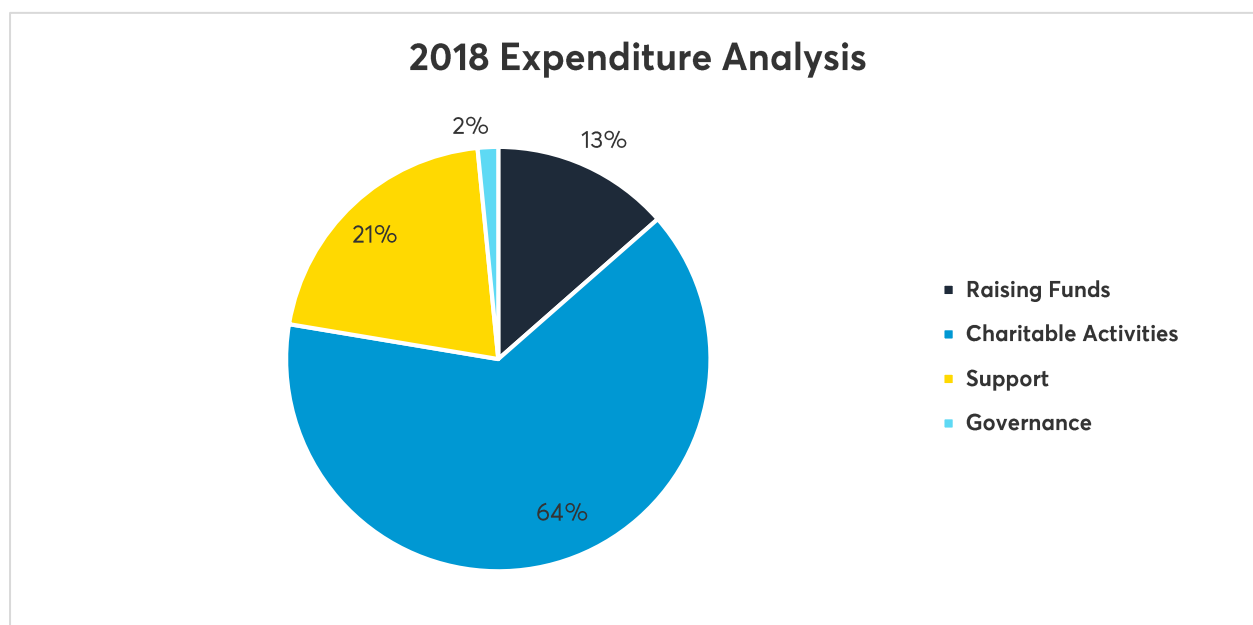
Charitable activities direct costs were £696,175 (2017: £623,375 for the year, 64 per cent compared to 2017 at just under 62 per cent).

Direct fundraising costs were £147,000 (2017: £162,158) for the year just under 14 per cent compared to 2017 at 16 per cent.

Support costs are the office, finance and administration, management and governance costs incurred by the charity. Where support costs cannot be directly attributed to particular projects, they have been allocated to the costs of raising funds and expenditure on charitable activities on a basis consistent with use of the resources using the ACEVO Full Cost Recovery model.

Support and governance costs were £242, 821 (2017: £196, 216) for the year consistently representing just over 22 per cent of total expenditure for the past two years.

Breakdown of expenditure is shown in note 5 on page 29.



## Principal risks and uncertainties

The Centre keeps a working risk register. The risk register is reviewed at all finance committee meetings and is included in papers circulated to trustees prior to Board meetings. Securing income and maintaining adequate cashflow continued to be monitored as key risks. Improvements to operational systems, particularly relating to use of our database mitigated risks relating to donor relations.

New financial processes ensure we can better track income and expenditure month to month. A new project management system was introduced towards the end of the year which will ensure information is better shared between staff working collaboratively on projects. The risk of reputational damage remains active, with the update of the due diligence and independence policy better articulating our relationships with sponsors, donors and other organisations.

A risk workshop was conducted in December 2018 and the register was updated in early 2019. Some risks were superseded, other removed as they were no longer rated as significant, or they related to specific activities which have now passed. New risks were added relating to staff capacity and productivity, the quality of our research output, and staff involvement in political activities.

## **Reserves policy and going concern**

Centre for London's reserves policy states that it will aim to ensure that it has between three and six months' worth of working capital to cover its operational expenses. This allows for the delivery of any projects which have started (which typically have a delivery time of six to twelve months), the opportunity to source new income streams and three months' worth of wind-up costs to discharge all the charity's liabilities in the event that the Trustees decide the charity is no longer a viable going concern.

In 2018 Centre for London reports a surplus of £37,769 (2017: Deficit £58,996), with unrestricted funds moving from a surplus of £21,004 in 2017 to a deficit of £26,864 in 2018.

At the end of December 2018, the charity maintained its level of free unrestricted reserves to £275,905 (2017: £302,769).

Whilst it is the trustees' intention to ensure that there is adequate working capital, as represented by its unrestricted funds as at the Balance Sheet date, reserves were just over four months of unrestricted operating costs (2017: Less than three months). At the date of approval of these accounts the Charity's reserves position has been maintained within the first few months of the year forecasting just over four months of budgeted expenditure for 2019. The financial results for the year to 31 March 2018 are shown on pages 20 to 39.

## **Fundraising**

Centre for London's development team leads and coordinates fundraising; all staff participate in fundraising activities. We have occasional short-term support from consultants. Any expenditure required to generate income is clearly identified. Other than salaries, there was no material expenditure incurred to raise income.

All fundraising practices are framed within the values and principles of the organisation. We place great value on protecting our independence and are committed to being transparent about our funding – publishing the name of any individual or organisation who supports us with funding over £1000. The terms of our relationship with funders are clearly set out at the start of every project and made explicit using funding agreements. We will not accept funding from organisations whose record or conduct could compromise our reputation. We have a clear due diligence procedure with responsibilities explicitly outlined.

The regulatory landscape for fundraising is evolving and we will continue to monitor and adapt with these changes. We do not employ the services of any fundraising agencies or third parties, nor do we run telephone or door to door fundraising campaigns. We have ensured we are in line with the GDPR data protection regulations and all other relevant codes of conduct. We do not pressure supporters to make gifts and respect decisions to stop giving. We received no complaints about our fundraising practices in 2018.

For the year ended 31 December 2018

Trustees' annual report

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***The following organisations and individuals supported our work in 2018:***

21st Century Fox	Mastercard
Arup	McKinsey & Company
Barking Riverside	New West End Company
Brick by Brick	One Housing Group
British Land	Paul Hamlyn Foundation
C40	Peabody
Capital & Counties Properties PLC	Siemens
City of London Corporation	Sir Mark Boleat
Cubic Transportation Systems	Sir Trevor Chinn
DAR	Southern Policy Centre
Beth and David Blood	The Mark Leonard Trust
emovis	The Northbank BID
EY	The Richard Rogers Charitable Settlement
Greater London Authority	The Savoy Educational Trust
Heathrow	The Schroder Foundation
JLL	The Stanley Foundation
Kohn Pedersen Fox	Therme Group UK Ltd
L&Q	Tideway
Lendlease Europe	Transport for London
London & Partners	Trust for London
London Borough of Camden	Van and Eva DuBose
London Borough of Ealing	Victoria Business Improvement District
London Borough of Sutton	Victoria Westminster BID
London Councils	Wandsworth Borough Council
London Economic Action Partnership	Westminster City Council
London Property Alliance (CPA/WPA)	Willmott Dixon

In accordance with our policy we publish the names of any individuals or organisations who support us with funding over £1000, whether in money or in kind.

## **Plans for the future**

The organisational focus for the next five years is on further strengthening the quality of our research and events, maximising our impact and ensuring we have a more sustainable business model. In order to achieve this, we will need to increase our income and staff numbers, as well as becoming an even more professional and well run values-led organisation.

For the year ended 31 December 2018

Trustees' annual report

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By the end of 2023 we will have:

- Produced consistently rigorous, incisive and challenging research; creative new thinking and recommendations; and outstanding events;
- Raised our profile, strengthened our reputation and demonstrably secured changes that have made London a fairer and more prosperous global city;
- Become an even better place to work, attracting, developing and retaining talented staff and making the most of the value that people of all backgrounds and experiences bring to the organisation, and our research, events and influencing more generally;
- Established a more secure and sustainable business model.

## Structure, governance and management

Centre for London (the Centre) is a company limited by guarantee (registered 22<sup>nd</sup> February 2013), registered in England and Wales, and a registered charity (27th March 2013). The company was established under a memorandum and articles of association which established the objects and powers of the charitable company and is governed under its articles of association. 2018 was its sixth year of operation as an independent organisation.

Centre for London is governed by a Board of Trustees, with a minimum membership of three. At the end of December 2018, there were nine trustees. Two of these trustees are also Board Members of Centre for London Trading Limited (Company number: 08565144), the charity's 100 per cent owned trading subsidiary, through which it carries out non-primary purpose trading activities. The trading subsidiary is currently dormant. Ms Elizabeth Peace CBE continues as Chair, Mr Paul King was nominated Deputy Chair and Mr David Slater became Chair of the Finance Committee.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 7 to the accounts.

One Board member left in 2018 – Mr Tim Collerton and one took a leave of absence – Mr Stephen Bediako. The board initiated a recruitment process in accordance with the Memorandum of Association and their agreed procedures. Any person who is willing to act as a trustee, and who would not be disqualified from acting under the provisions of Article 26, may be appointed to be a trustee by a decision of the Board of Trustees. The board delegated responsibility for recruitment to a sub committee including the chair, vice chair and the director. The recruitment materials were prepared in accordance with our equal opportunities policy. The recruitment was made public and the vacancies advertised on a number of appropriate website and forums. All those interested were required to submit an application and the shortlisted candidates were invited for interview.

The process was completed in 2019 with the appointment of four new board members; Ms Fiona Carswell (known as Fiona Fletcher-Smith), Mr Peter Lewis, Ms Catherine McGuinness and Mr Shashi Verma.

For the year ended 31 December 2018

Trustees' annual report

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New trustees receive a pack outlining their duties, responsibilities and the organisation's expectations. They are invited to an induction prior to their first meeting and receive additional support and training as required.

In the year to 31st December 2018, the Board met four times. They held an extended strategy meeting in July. The Finance Committee (a sub-committee of the Board) also met four times. In addition, trustees provided significant ongoing support to the organisation throughout the year. The trustees agreed to developing a mid to long-term strategic plan, along with new processes to support the monitoring effectiveness of its organisational objectives.

The full membership of the Trustee Board, who are also directors under the terms of the Companies Act, are set out above. The members of the Trustee Board have no beneficial interest in the group or charity.

The Trustee Board delegates responsibility for the day-to-day activities of the organisation to the Director, Mr Ben Rogers and senior management team – Mr Richard Brown and Ms Rachel Silveira. The senior management team produce monthly reports on the activities undertaken in managing the charity including management accounts that explain the financial position of the charity.

## **Remuneration policy for key management personnel**

Pay and remuneration of the charity's key management personnel is set in accordance with Centre for London's pay principles

- The overall financial position of the charity;
- Considerations of internal equity, i.e., that the pay of those carrying out a similar role will remain broadly equivalent; that difference between those at the bottom of the pay scale and those at the top should not be excessive; and also our commitments as a London Living Wage Employer;
- Increases in the cost of living;
- Comparisons with the external job market to ensure Centre of London remains competitive and supports the retention of team members;
- The relative levels of responsibility and contribution of individuals across the organisation.

The Director's pay is agreed by the Board on the recommendation of the Chair. The remaining Key Management personnel's pay is agreed by the Board on the recommendation of the Director.

## **Public benefit**

The trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance, published by the Commission, in determining the

For the year ended 31 December 2018

Trustees' annual report

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activities undertaken by the charity. The trustees are satisfied that the aims and objectives of the charity, and the activities reported on above to achieve the aims, meet these principles.

## Statement of responsibilities of the trustees

The trustees (who are also directors of Centre for London for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, 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
- State whether applicable UK Accounting Standards and statements of recommended practice 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 charity 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 charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 December 2018 was fourteen (2017: ten). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.



Centre for London (company no: 08414909, charity no: 1151435)

For the year ended 31 December 2018

Trustees' annual report

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***Auditor***

Sayer Vincent LLP was appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The trustees would like to thank all those who have supported the Centre since its establishment and during 2018.

The trustees' annual report has been approved by the trustees on 9<sup>th</sup> May 2019 and signed on their behalf by

Ms Elizabeth Peace CBE  
Chair of the Board of Trustees

To the members of

Centre for London

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## Independent auditor's report to the members of Centre for London

### Opinion

We have audited the financial statements of Centre for London (the 'charitable company') for the year ended 31 December 2018 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 December 2018 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
- Have been prepared in accordance with the requirements of the Companies Act 2006

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

To the members of

Centre for London

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## Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report has been prepared in accordance with applicable legal requirements

## Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters in relation to which 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 financial statements 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; or
- The trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

To the members of

Centre for London

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## **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the

To the members of

Centre for London

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audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## **Use of our report**

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 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Joanna Pittman (Senior statutory auditor)

Date: 23 May 2019

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

For the year ended 31 December 2018

Statement of Financial Activities (incorporating the Income & Expenditure Account)

		Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total 2018 £	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total 2017 £
Note							
<b>Income</b>							
Income from generated funds:							
Donations	2	108,627	34,000	142,627	162,300	12,500	174,800
Donations in kind	3	54,600	-	54,600	33,300	-	33,300
Investment income		-	-	-	1	-	1
Income from charitable activities:	4	721,000	202,744	923,744	658,263	83,750	742,013
Other Income		2,873	-	2,873	-	-	-
Total income		<u>887,100</u>	<u>236,744</u>	<u>1,123,844</u>	<u>853,864</u>	<u>96,250</u>	<u>950,114</u>
<b>Expenditure</b>							
Expenditure on:							
Raising funds	5	198,015	-	198,015	218,052	-	218,052
Charitable activities	5	715,949	172,134	888,083	614,808	176,250	791,058
Total expenditure		<u>913,964</u>	<u>172,134</u>	<u>1,086,098</u>	<u>832,860</u>	<u>176,250</u>	<u>1,009,110</u>
Net (expenditure)/ income		<u>(26,864)</u>	<u>64,610</u>	<u>37,746</u>	<u>21,004</u>	<u>(80,000)</u>	<u>(58,996)</u>
Fund balances brought forward at 1st Jan 2018		<u>302,769</u>	<u>-</u>	<u>302,769</u>	<u>281,765</u>	<u>80,000</u>	<u>361,765</u>
Fund balances carried forward at 31st Dec 2018		<u>275,905</u>	<u>64,610</u>	<u>340,515</u>	<u>302,769</u>	<u>-</u>	<u>302,769</u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 17 to the financial statements.

For the year ended 31 December 2018

Balance Sheet

	Note	2018 £	2017 £
<b>FIXED ASSETS</b>			
Investment in subsidiary	12	1	1
Tangible Assets	11	33,450	27,569
<b>CURRENT ASSETS</b>			
Debtors	13	246,292	146,940
Cash in Bank and in hand		165,914	240,127
Total current assets		412,206	387,067
<b>CREDITORS:</b> falling due within one year	9	(105,142)	(111,868)
<b>NET CURRENT ASSETS</b>		307,064	275,199
<b>NET ASSETS</b>		340,515	302,769
<b>FUNDS:</b>			
Restricted Funds	10	64,640	-
Unrestricted Funds			
Designated funds		33,450	27,569
General funds		242,455	275,200
		340,515	302,769

The financial statements were approved and authorised for issues by the Board of Trustees on 9<sup>th</sup> May 2019

And signed on its behalf by:

Ms Elizabeth Peace CBE  
Chair

Mr David Slater  
Chair, Finance Committee

For the year ended 31 December 2018

Statement of cashflow

	2018 £	2017 £
<b>Cash flows from operating activities</b>		
(Deficit)/Surplus for the financial year	37,346	(58,996)
Adjustment for:		
Charge for depreciation	12,078	7,824
Interest received	-	(1)
(Increase) / decrease in debtors	(99,352)	37,211
(Decrease) / increase in creditors	(6,726)	15,837
<b>Net cash generated from operating activities</b>	<b>(56,254)</b>	<b>1,875</b>
<b>Cash flows from investing activities</b>		
Payments to acquire tangible fixed assets	(17,959)	(35,393)
Interest received	-	1
<b>Net cash from investing activities</b>	<b>(17,959)</b>	<b>(35,392)</b>
Net increase in cash and cash equivalents	(74,213)	(33,518)
Cash and cash equivalents at the beginning of the year	240,127	273,645
Cash and cash equivalents at end of year	<u>165,914</u>	<u>240,127</u>



## 1. Accounting policies

A summary of the principal accounting policies all of which have been applied consistently throughout the year, are set out below:

### a) Statutory information

Centre for London is a charitable company limited by guarantee and is incorporated in England. The registered office address is Unit 1 32-33 Hatton Garden, London, England, EC1N 8DL

### b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (September 2015) and the Companies Act 2006. Centre for London has a trading subsidiary, Centre for London Trading Limited. The subsidiary was dormant in the year so was not consolidated in the accounts.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

### c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

### d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

#### **e) Income**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Gift Aid claimable in relation to qualifying donations received is recognised at the time of the donation.

Donations in Kind represent professional services or facilities which are recognised in income on the basis of the value of the gift to the charity. Typically this is the amount the charity would be willing to pay in the open market for such equivalent services or facilities.

#### **f) Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

#### **g) Fund accounting**

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

#### **h) Expenditure and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of producing reports, events and publications undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

For the year ended 31 December 2018

## Notes to the Financial Statements

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### **i) Allocation of support costs**

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of area of literature occupied by each activity.

Charitable activities	64%
Raising funds	13%
Governance and Support costs	23%

Support and governance costs are re-allocated to each of the activities on the following basis which is an estimate, based on staff time, of the amount attributable to each activity.

Charitable activities	79 %
Raising funds	21 %

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

### **j) Operating leases**

Rental charges are charged on a straight-line basis over the term of the lease.

### **k) Tangible fixed assets**

Items of equipment are capitalised where the purchase price exceeds £1,000. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities.

Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

For the year ended 31 December 2018

## Notes to the Financial Statements

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Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Leasehold improvements	over 5 years
Computers and telephone	over 3 years
Fixtures, fittings and equipment	over 5 years

### **l) Investments in subsidiaries**

Investments in subsidiaries are at cost.

### **m) Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

### **n) Short term deposits**

Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 12 months.

### **o) Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

### **p) Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

### **q) Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

### **r) Pensions**

The Charity is a member of an auto enrolment workplace Group Personal Pension scheme. The scheme is a multi-employer defined contribution plan for certain employees who meet certain criteria as prescribed by the Pensions Act 2008. The costs of the plan charged in a statement of financial activities represents the contributions payable during the year.

For the year ended 31 December 2018

Notes to the Financial Statements

## 2. Income from donations and legacies

	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £
Paul Hamlyn Foundation	-	4,000	4,000	-	-	-
Van and Eva DuBose	-	30,000	30,000	-	-	-
Beth and David Blood	10,000	-	10,000	10,000	-	10,000
Sir Harvey McGrath	-	-	-	121,000	-	121,000
The Richard Rogers Charitable Settlement	25,000	-	25,000	25,000	-	25,000
Wilmott Dixon	5,000	-	5,000	-	-	-
21st Century Fox	5,000	-	5,000	-	-	-
Sir Trevor Chinn	8,000	-	8,000	-	-	-
Therme Group UK Ltd	5,000	-	5,000	-	-	-
Kohn Pederson Fox	5,000	-	5,000	-	-	-
Cubic Transportation Systems	5,000	-	5,000	-	-	-
Tidewa y	5,000	-	5,000	-	-	-
L&Q	10,000	-	10,000	-	-	-
The Stanley Foundation	1,500	-	1,500	5,000	-	5,000
DAR	5,000	-	5,000	-	-	-
Siemens	15,000	-	15,000	-	-	-
University of Bath	-	-	-	-	12,500	12,500
Sir Mark Boleat	1,000	-	1,000	-	-	-
Sundry donations under £1,000	3,127	-	3,127	1,300	-	1,300
	<u>108,627</u>	<u>34,000</u>	<u>142,627</u>	<u>162,300</u>	<u>12,500</u>	<u>174,800</u>

## 3. Income from donated services and facilities

	Total Funds 2018 £	Total Funds 2017 £
Research Consultant	10,000	13,000
Event Venue & Catering	29,600	20,300
Event Branding & Marketing	15,000	-
	<u>54,600</u>	<u>33,300</u>

Donations in kind are treated as unrestricted funds.

For the year ended 31 December 2018

Notes to the Financial Statements

#### 4. Income from charitable activities

	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total Funds 2018 £	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £
Research & Event Sponsorship	535,500	1,194	546,694	529,100	-	529,100
City of London Corporation	50,000	-	50,000	25,000	-	25,000
Westminster City Council	20,000	-	20,000	-	-	-
Greater London Authority	10,000	53,000	63,000	20,000	-	20,000
London Borough of Brent	-	-	-	12,500	-	12,500
London Borough of Camden	23,000	-	23,000	-	-	-
London Borough of Croydon	-	-	-	12,500	-	12,500
London Borough of Ealing	7,500	-	7,500	-	-	-
London Borough of Harrow	-	-	-	5,000	-	5,000
London Borough of Lewisham	-	-	-	12,500	-	12,500
London Borough of Southwark	25,000	-	25,000	5,000	-	5,000
London Borough of Sutton	10,000	-	10,000	-	-	-
London Councils	-	-	-	10,000	-	10,000
London Youth	-	-	-	-	15,000	15,000
Mark Leonard Trust	-	10,000	10,000	-	-	-
Sir Trevor Chinn	-	-	-	-	7,750	7,750
The Stanley Foundation	-	10,000	10,000	-	-	-
The Golden Bottle Trust	-	-	-	-	1,000	1,000
The Schroder Foundation	-	25,000	25,000	-	20,000	20,000
The Swarovski Foundation	-	30,000	30,000	-	30,000	30,000
The Savoy Educational Trust	-	7,550	7,550	-	-	-
Transport for London	40,000	30,000	70,000	-	-	-
Trust for London	-	36,000	25,500	-	10,000	10,000
Miscellaneous Income	-	-	-	26,663	-	26,663
<b>TOTAL</b>	<b>721,000</b>	<b>202,744</b>	<b>923,744</b>	<b>658,263</b>	<b>83,750</b>	<b>742,013</b>

There are no unfulfilled conditions or other contingencies attached to amounts recognised from Government grant income. The total amount of income from government grants in 2018 was £ 219,000 (2017: £102,500).

For the year ended 31 December 2018

Notes to the Financial Statements

## 5. Analysis of expenditure (current and prior year)

	Staff Costs 2018 £	Other Costs 2018 £	Apportioned Support & Governance Costs £	Total 2018 £	Staff Costs 2017 £	Other Costs 2017 £	Apportioned Support & Governance Costs £	Total 2017 £
Raising funds	132,270	14,730	51,015	198,015	136,293	25,865	55,894	218,052
Charitable activities	494,272	201,900	191,911	888,083	408,877	214,498	167,683	791,058
Support & governance	69,616	173,310	(242,926)	-	74,341	149,236	(223,577)	-
<b>TOTAL</b>	<b>696,158</b>	<b>389,940</b>	<b>-</b>	<b>1,086,098</b>	<b>619,511</b>	<b>389,599</b>	<b>-</b>	<b>1,009,110</b>

### Support & governance costs

	Support 2018 £	Governance 2018 £	Total 2018 £	Support 2017 £	Governance 2017 £	Total 2017 £
Staff costs	62,654	6,962	69,616	68,146	6,195	74,341
Communications costs	11,111	-	11,111	15,172	-	15,172
Office & administration costs	33,932	-	33,932	36,491	-	36,491
Premises costs	74,272	-	74,272	55,067	-	55,067
Audit and Accountancy	27,435	9,200	36,533	-	20,565	20,565
Other professional, legal & finance	4,982	-	4,982	13,516	-	13,516
Trustee Expenses	-	-	-	-	561	561
Other governance costs	-	300	300	-	40	40
Depreciation	12,078	-	12,078	7,824	-	7,824
<b>Total</b>	<b>226,464</b>	<b>16,462</b>	<b>242,926</b>	<b>196,216</b>	<b>27,361</b>	<b>223,577</b>

## 6. Net income/expenditure for the year

	2018 £	2017 £
Net income/(expenditure) is stated after charging/(crediting)		
Depreciation	12,078	7,824
Auditors' remuneration		
Audit Services exclusive of VAT	7,200	7,830
Non-audit services - VAT compliance and advisory work	-	12,735
Operating lease rentals	67,000	47,770

For the year ended 31 December 2018

Notes to the Financial Statements

## 7. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

	2018 £	2017 £
Wages and salaries	610,308	537,065
Social security costs	54,212	51,110
Pension costs	23,317	18,028
Other staff costs	8,321	13,308
	<u>696,158</u>	<u>619,511</u>

Other staff costs includes staff training and welfare expense.

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £221,393 (2017: £185,017).

Key management personnel are the Trustees (unpaid) and members of the senior management team. The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2018 No.	2017 No.
£60,000-£69,000	1	1
£70,000-£79,000	-	-
£80,000-£89,000	1	1

SMT pay is agreed by the Board on the recommendation of the Director. The Director's pay is agreed by the Board on the recommendation of the Chair. Key management personnel pay is determined by reference to the Centre's pay and progression policy.

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2017: £nil). No charity trustee received payment for professional or other services supplied to the charity (2017: £nil). Trustees' expenses represent the payment or reimbursement of travel and subsistence costs and board administration totalling £ Nil (2017: £561).



For the year ended 31 December 2018

Notes to the Financial Statements

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## 8. Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 19 (2017: 16). Staff are split across the activities of the charity as follows (full time equivalent basis).

	2018 No.	2017 No.
Charitable activities	13	9.5
Raising funds	4	5
Management, support and governance	2	1.5

## 9. Related parties and relationships with other organisations

Four trustees identified themselves as Related Parties, being in positions of responsibility within sponsoring organisations. One key management personnel identified their familial relationship with a trustee of a donating trust. All confirmed they did not have overall control of the decision to sponsor/donate to the Centre.

During the year £145,000 of unrestricted donations were received from related parties of the trustees or key management personnel. In 2017 £25,000 of donations were received from a related party of the key management personnel. Two trustees contributed personal donations to the sum of £1,240 (2017: 1,300).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

## 10. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

For the year ended 31 December 2018

Notes to the Financial Statements

## 11. Tangible fixed assets

	Leasehold Improvements	Computer Equipment	Fixtures & fittings	Total
	£	£	£	2018 £
<b>Cost</b>				
B/f	11,500	5,591	18,302	35,393
Additions	-	4,969	12,990	17,959
At 31 December 2018	<u>11,500</u>	<u>10,560</u>	<u>31,292</u>	<u>53,352</u>
<b>Depreciation</b>				
At 1 January 2018	2,300	1,864	3,660	7,824
Charge	2,300	3,520	6,258	12,078
At 31 December 2018	<u>4,600</u>	<u>5,384</u>	<u>9,918</u>	<u>19,902</u>
<b>Net book value</b>				
At 31 December 2018	<u>6,900</u>	<u>5,176</u>	<u>21,374</u>	<u>33,450</u>
At 31 December 2017	<u>9,200</u>	<u>3,727</u>	<u>14,642</u>	<u>27,569</u>

All of the above assets are used for charitable purposes. The trading company was dormant in the year.

For the year ended 31 December 2018

Notes to the Financial Statements

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## 12. Investment in subsidiary

Centre for London has a trading subsidiary, Centre for London Trading Limited (Company number: 08565144).

The charity owns the whole of the issued ordinary share capital of Centre for London Trading Ltd, a company registered in England. The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line-by-line basis in the SOFA. The subsidiary is exempt from audit by virtue of s479A, Companies Act 2006. The total net profit is gifted to the charity. Corporate income is treated as donations. The trading subsidiary is currently dormant.

A summary of the results of the subsidiary is shown below:

	<b>Total 2018 £</b>	<b>Total 2017 £</b>
<b>Profit &amp; loss:</b>		
Turnover	-	-
Cost of sales	-	-
	<hr/>	<hr/>
Gross profit	-	-
Operating expenses		
	<hr/>	<hr/>
Net profit	-	-
	<hr/>	<hr/>
<b>Balance sheet:</b>		
Current assets	1	25,049
Current liabilities	-	(25,048)
	<hr/>	<hr/>
	1	1
	<hr/>	<hr/>
Called up share capital unpaid	1	1
	<hr/>	<hr/>

For the year ended 31 December 2018

Notes to the Financial Statements

### 13. Debtors

	2018 £	2017 £
Trade debtors	205,680	78,187
Amount due from subsidiary	-	25,048
Prepayments and accrued income	22,522	25,615
Due within one year	<u>228,202</u>	<u>128,850</u>
	2018 £	2017 £
Other debtors	18,090	18,090
Due more than one year	<u>18,090</u>	<u>18,090</u>
Total Debtors	<u>246,292</u>	<u>146,940</u>

Other debtors represents the amounts recoverable more than a year.

### 14. Creditors

	2018 £	2017 £
Trade creditors	56,396	33,112
Accruals	13,122	12,900
Deferred income	10,000	25,000
Social security and other taxes	25,624	40,856
Due within one year	<u>105,142</u>	<u>111,868</u>

For the year ended 31 December 2018

Notes to the Financial Statements

## 15. Deferred income

	2018 £	2017 £
Balance brought forward	25,000	24,000
Amount released to incoming resources	(25,000)	(24,000)
Amount deferred in the year	10,000	25,000
Balance carried forward	<u>10,000</u>	<u>25,000</u>

There was £10,000 deferred income in 2018 relating to funding for the Road User Charging project. The prior year's deferred income of £25,000 relates to funding from the Human Capital (London's Future Labour Force) project, and the Meanwhile Use project which were completed in 2018.

## 16. Analysis of net assets between funds (current and prior year)

Fund balances at 31 December 2018 are represented by:

	Unrestricted Funds 2018	Restricted Funds 2018	Total Funds 31 Dec 2018 £	Unrestricted Funds 2017	Restricted Funds 2017	Total Funds 31 Dec 2017 £
Fixed Assets	33,451	-	33,451	27,569	-	27,569
Current assets	347,596	64,610	412,206	387,068	-	387,068
Current liabilities	(105,142)	-	(105,142)	(111,868)	-	(111,868)
	<u>275,905</u>	<u>64,610</u>	<u>340,515</u>	<u>302,769</u>	<u>-</u>	<u>302,769</u>

For the year ended 31 December 2018

## Notes to the Financial Statements

**17. Movements in funds (current year)**

<b>Statement of Funds Current Year</b>	<b>Balance 1 Jan 2018 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Transfer £</b>	<b>Balance 31-Dec 2018 £</b>
<b>Restricted funds</b>					
Cultural Industries & Mobility	-	30,000	(23,725)	-	6,275
Kitchen Skills	-	35,550	(14,640)	-	20,910
London and Neighbours	-	1,194	(1,194)	-	-
London and the UK	-	20,000	(20,000)	-	-
London Conference 2018	-	15,000	(15,000)	-	-
London Identities	-	4,000	(4,000)	-	-
Meanwhile Use	-	15,000	(15,000)	-	-
Neighbourhood Planning in Deprived Areas	-	21,000	(7,750)	-	13,250
Places that Work	-	10,000	(10,000)	-	-
Road User Charging	-	30,000	(30,000)	-	-
Roads and Streets Conference	-	30,000	(30,000)	-	-
Skills & Opportunities Scoping	-	25,000	(825)	-	24,175
<b>Total restricted funds</b>	<b>-</b>	<b>236,744</b>	<b>(172,134)</b>	<b>-</b>	<b>64,610</b>
<b>Unrestricted funds</b>					
Designated fund					
Fixed Asset Fund	27,569	-	-	5,881	33,450
General fund	275,200	887,100	(913,964)	(5,881)	242,455
<b>Total unrestricted funds</b>	<b>302,769</b>	<b>887,100</b>	<b>(913,964)</b>	<b>-</b>	<b>275,905</b>
<b>Total funds</b>	<b>302,769</b>	<b>1,123,844</b>	<b>(1,086,098)</b>	<b>-</b>	<b>340,515</b>

The Board has designated funds totalling £33,450 (2017: £27,569) to be carried forward at 31st December 2018. This represents the net book value of fixed assets.

The Fixed Asset Fund represents the net book value of fixed assets held in the unrestricted reserves. This is done to reflect the fact that these funds are not in liquid form and so are not expendable funds. Depreciation of these assets is initially recognised through expenditure in general funds and is then transferred to the Fixed Asset Fund. Additions of new assets are reflected as transfers from the general fund to the Fixed Asset Fund.

For the year ended 31 December 2018

## Notes to the Financial Statements

**17b. Movements in funds (prior year)**

Statement of Funds Prior Year	Balance 1 Jan 2017 £	Income £	Expenditure £	Transfer £	Balance 31 Dec 2017 £
<b>Restricted funds</b>					
Roads and Streets Commission	80,000	-	(80,000)	-	-
Cultural Industries & Mobility	-	30,000	(30,000)	-	-
Devolution Post Brexit	-	12,500	(12,500)	-	-
London Conference 2017	-	10,000	(10,000)	-	-
London Identities	-	8,750	(8,750)	-	-
Skills & Opportunities	-	20,000	(20,000)	-	-
Scoping	-	-	-	-	-
Youth Services in London	-	15,000	(15,000)	-	-
Total restricted funds	<u>80,000</u>	<u>96,250</u>	<u>(176,250)</u>	<u>-</u>	<u>-</u>
<b>Unrestricted funds</b>					
Designated fund					
Fixed Asset Fund	-	-	-	27,569	27,569
General fund	281,765	853,864	(832,860)	(27,569)	275,200
Total unrestricted funds	<u>281,765</u>	<u>853,864</u>	<u>(832,860)</u>	<u>-</u>	<u>302,769</u>
Total funds	<u>361,765</u>	<u>950,114</u>	<u>(1,009,110)</u>	<u>-</u>	<u>302,769</u>

The funds of the charity include restricted funds comprising the unexpected balances of donations and grants, as set out below, held on trustees to be applied for the following purposes:

**Cultural industries and social capital research project** London is a global cultural hub for arts, theatre, film and fashion. This project identified the barriers preventing young people from accessing jobs and training in London's cultural industries.

**Kitchen skills research project** With a growing skills shortage in the capital's kitchens, London needs to do a better job of developing local culinary talent. This project explored the trends and challenges in training and career progression for chefs and developed new approaches to promoting skills and opportunity in the culinary sector.

**London and neighbours research report** London's influence extends way beyond the boundaries of the city. This report, written in partnership with the Southern Policy Centre, explored the need for greater collaboration across London and the Wider South East to tackle shared challenges.

**London and the UK research report** As the political, financial and cultural centre of the United Kingdom, is London too dominant? This report explored how London's relationship with the UK has changed and sets out new thinking on how the capital can better connect with its nation state.

**London Conference 2018: Working capital** Our flagship annual conference explored how we can build an economy and a system of government that work for the capital in turbulent times and explored what power the city needs to manage the challenges ahead.

**London identities research project** It's widely supposed that London is becoming a city apart from the rest of the country – but does that translate into a stronger sense of its own identity? This project explored the extent to which people sign up to a 'London identity', and how changes in London's population, economy and civic sense may have affected Londoners' attachment to their city.

**Meanwhile Use research report** London is full of unused spaces that could be used for temporary housing, workspaces, parks, community gardens and retail, otherwise known as meanwhile uses, but are not. The project analyses the extent, value and potential of meanwhile use in the capital.

**Neighbourhood planning in deprived areas research report** This report, written in partnership with Neighbourhood Planners.London explored the role of neighbourhood planning in areas of London experiencing poverty and deprivation by undertaking the first London-wide research and by building innovative peer to peer connections with existing neighbourhood planners.

**Places that work project** This project, in conjunction with GVA, 00 Architecture and Real Urbanism, included a research report and event to consider how we can fund, deliver and manage successful commercial activities in mixed use schemes.

**Public London** Centre for London shares the Mayor of London's commitment to ensuring open and accessible management of all London's public spaces, and is pleased to be working on an evidence base and recommendations to inform the Mayor's Public London Charter.

**Road user charging research report** There is no one silver bullet to solving London's transport challenges. But there is agreement among some experts – including the Mayor himself – that we need to review the future of road user charging in London. This project examined the role road user charging can play in managing demands on finite road space, addressing congestion and pollution, and creating a more liveable city.

**Roads and Streets Conference** Managing conflicting pressures on London's surface transport system and public realm requires new thinking. This conference explored the future of mobility and place in London, and consider the practical implications of the Mayor's Transport Strategy.



For the year ended 31 December 2018

Notes to the Financial Statements

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**Skills and Opportunities scoping** This programme explores the ways in which London's labour market is evolving; how the city can best secure the talent that it needs; and how we can ensure that every Londoner can make the most of the opportunities the city offers.

## 18. Operating lease commitments payable as a lessee

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

Operating lease which expires:

	2018 £	2017 £
Within 1 year	55,993	55,275
2-5 years	139,982	87,519
Over 5 Years		
	<u>195,975</u>	<u>142,794</u>

## 19. Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.