

HEART OF THE CITY OF LONDON LIMITED



HEART OF THE CITY ANNUAL REPORT for the year ending 31 March 2021

Company Name: Heart of the City of London Limited

Charity number: 1117212

Company number: 5973126

HEART OF THE CITY OF LONDON LIMITED

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Reference and Administration Details

Charity Name:	Heart of the City of London Limited
Charity Number:	1117212
Company Number:	5973126
Registered Address:	Atlantic House, 21 Holborn Viaduct, London, City of London EC1A 2FG
Operational Address:	Innovation Growth Department, Guildhall, London EC2V 7HH
Company Secretary:	Hogan Lovells, Atlantic House, Holborn Viaduct London, City of London EC1A 2FG
Banker:	Lloyds TSB Bank plc, City Office, PO Box 72, Bailey Drive, Gillingham, Kent ME8 OLS
Auditor:	BDO LLP, 55 Baker Street, London, W1U 7EU
Trustees:	Rachel Engel (Vice-Chair) Arjan van den Berkmortel Fiona Clark Giles French Anthony Impey Rob Powell Nick Turner Carmen Whitelock Sushil Saluja (Chair) (appointed 4 December 2020) Rob Elder (appointed 21 January 2021) Sheriff Chris Hayward (appointed 21 January 2021) Martin Powell (appointed 27 April 2021) Sir Harvey McGrath (Chair) (until 4 December 2020) Linda Barnard (until 4 December 2020)

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Director: Sarah Mitchell (until 16 September 2020)
Andy Melia (appointed 14 September 2020)

Treasurer: City of London Corporation

Trustee Details

Rachel Engel heads the Macquarie Group Foundation, EMEA, the philanthropic arm of Macquarie Group - a financial services institution with more than 14,450 employees globally. With over 18 years' experience in both the corporate and not-for-profit sectors, Rachel has previously held positions with AOL UK, the East London Business Alliance (ELBA) and IBM. Rachel is Vice-Chair of Streetwise Opera, trustee of a local grant making trust, the Sudborough Foundation and a committee member of Islington Giving, which has raised over £5 million for local causes in the past five years.

Arjan van den Berkmortel Arjan is currently the Head of Business Banking for the London Region at HSBC. He joined HSBC in 1996 and has held a number of high-profile positions within the organisation in London, Hong Kong, Paris and the Middle East. He has extensive cross-border banking experience in trade finance, transaction and corporate banking. He served as Chief Executive Officer for HSBC's operations in the Czech Republic.

Fiona Clark Prior to joining David Miller Architects in 2006, Fiona spent nearly twenty years in the fashion industry as a buyer for international retailers and as a director in the clothing manufacturing sector. She now applies her business skills to develop the practice with a focus on responsible business growth. She participates in a variety of organisations to support the communities where the practice works, to inspire young people to join the construction sector and to create new opportunities for DMA and for the team to contribute and grow. As a graduate of the Heart of the City's Foundation Programme, and now as an Associate Member, Fiona brings her personal experience and perspective as an SME to the Board of Trustees. Other collaborations include Westminster Business Council where she sits on the board, the Fitzrovia Partnership, the Employers Alliance at the Sir Simon Milton Westminster University Technical College and MIPIM Ladies, a network of women in property and construction, of which Fiona is a founder member.

Giles French As External Affairs Director at the City of London Corporation, an organisation that promotes UK based financial services, Giles provides strategic advice to senior politicians and officials. He leads on developing strategic relationships with politicians, regulators, diplomats and business leaders on a wide range of public policy issues in the UK, Europe and internationally. In addition, he engages with priority markets around the world to promote trade and investment flows with the UK financial and professional services sector. He is an Associate Adviser to the British Foreign Policy Group.

Anthony Impey MBE is the Chief Executive of Be the Business, an independent, not-for-profit organisation that is working with business leaders to boost the UK's productivity. As a serial entrepreneur and experienced business leader, Anthony has a track-record in starting, building, and operating businesses and not-for-profit organisations in the tech and education sectors. He started his first business at school and went on to build several businesses including Touchbase Network and Technology House. As founder and chief executive of Optimity, he built one of the

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UK's leading providers of wireless internet services and a multi award-winning apprenticeship programme. He also founded TechCity Stars and Tech Up Nation; not-for-profit organisations that helped disadvantaged young Londoners kickstart their careers in the tech sector. Anthony is chair of the City & Guilds Industry Skills Board. He was awarded an MBE in the Queen's 2018 New Year's Honours for Services to Apprenticeships and Small Business.

Rob Powell is Head of Pro Bono & CSR at Weil, Gotshall and Manges. He manages the full breadth of activities within the London office's award-winning Corporate Social Responsibility (CSR) programme, from involvement advising at local law clinics and fielding requests for pro bono advice from a range of leading charities, NGOs and social enterprises, to community endeavours such as Weil's participation in PRIME, an alliance of law firms and legal departments across the UK who have made a commitment to broaden access to the legal profession. Rob is also on the Board of Special Olympics GB and Richard Hale Secondary School in addition to his role at Heart of the City.

Nick Turner Strategist, advisor and futures thinker, Nick Turner is the founder and Managing Partner of Stratforma, an advisory boutique that offers counsel to senior decision makers at multi-national organisations. Nick is the product of Silicon Valley and Wall Street, having served as a Managing Director and head of Strategy at Morgan Stanley, after a number of years spent in the high-technology industry in California. As a strategy consultant, Nick was the Co-President of scenario planning and experiential learning pioneers Global Business Network (GBN) and a Senior Partner of Michael Porter's Monitor Group. Nick is a visiting lecturer in strategy, scenario planning and innovation at leading business schools, including London (LBS), Imperial College and INSEAD. Nick is also a trustee of the educational charity, Ambition Institute. He previously served as a Board Member of the Mayor of London's Enterprise Panel (LEP), The London Skills and Employment Board (LSEB) and chaired the London Employer Coalition (LEC).

Carmen Whitelock Head of Digital Marketing at Cazenove Capital (part of the Schroders Group), Carmen brings over 20 years of digital communications, marketing and brand management experience to our board. Carmen has designed and delivered award-winning corporate websites, communications campaigns, digital marketing and social media strategies for Save the Children UK, Arup, RSA Insurance Group and Marks and Spencer. She continues to maintain influential working relationships with a wide array of industry experts.

Sushil Saluja is a Governor of Greenwich University and a trustee of the British Council, where he chairs the Commercial Board. He is a senior business leader and advisor, focused on international business, technology-led transformation and education. With over 30 years' prior experience at Accenture, Sushil has led business units in EMEA (based in London) and Asia Pacific (based in Hong Kong) and launched fintech accelerators in Hong Kong and Dubai. Sushil graduated in engineering from Pembroke College, Cambridge. He was previously a trustee of the Princes' Teaching Institute (PTI) and on the board of TheCityUK.

Rob Elder is the Bank of England's Agent for Greater London, since May 2018. He joined the bank in 1998, and for twelve years supported the Monetary Policy Committee as an economist and then senior manager. Between 2010 and 2012 he represented the UK on the board of the International Monetary Fund in Washington DC. When he returned he worked in our press office, and most recently, supported our Financial Policy Committee by running a team monitoring developments in the UK banking sector. Between 1990 and 1998 Rob worked as an economist and forecaster at HM Treasury, British Telecom and Manchester University. He also taught English in Japan for a year.

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Sheriff Chris Hayward took office as Sheriff of the City of London on 27th September 2019. Chris's business experience extends to Executive and Non-Executive Director roles in the property, infrastructure, planning and strategic communications sectors, providing a strong connection to the issues and concerns of City business. He has served on the boards of a number of companies over the past 30 years. He is currently a non-executive Director at JBP Associates and Hayward Properties and a Consultant to the global firm of WSP. International business experience extends to a role on the Advisory Board of the Sichuan Business Association including recent visits to China. Chris also served for eight years on the Council of the Institute of Administrative Management culminating in two years carrying out international graduation ceremonies as its Chairman. Outside the City he is a former Deacon of the Incorporation of Bonnetmakers and Dyers of Glasgow and maintains links with Northern Ireland on behalf of the City, supporting charities in and around Londonderry. In 2019 Chris was admitted as an Honorary Bencher of The Inner Temple.

Martin Powell is Head of Sustainability and Environmental Initiatives for Siemens Financial Services. He works with businesses, states and cities to support them in achieving environmental, social and economic goals. He has been involved in building strategies and developing pathways for organizations to achieve ESG improvement as well as roles in energy purchasing and Green Funds. Prior to this, he was the Deputy Mayor of London for Energy & Environment to the former Mayor of London, Boris Johnson, responsible for policy in water, waste, air quality, energy, climate change mitigation and adaptation and biodiversity. He was also the Executive Director for the design and delivery of the City's environmental programmes. As Managing Director of Cambridge Management & Research he worked for the Energy Saving Trust and the Institute for Sustainability and was also Special Advisor to the C40 Cities Group chaired by Michael R Bloomberg during his time as Mayor of New York. He has two published books – "Better Cities, Better Life" and "Smart Cities – Cities in the Digital Age".

Sir Harvey McGrath is Chairman of Big Society Capital, and Chair of Governors of Birkbeck College, University of London. He is the former Chairman of Prudential PLC, Man Group PLC, and the London Development Agency, and former Deputy Chair of the Mayor of London's Enterprise Panel. An active philanthropist and social investor, Harvey is Chair of the Advisory Council of the Impact Investing Institute; Funding London; and West London Zone; and a trustee of New Philanthropy Capital.

Linda Barnard is the Bank of England's Senior Staff Counsellor. She is an integrative psychotherapist, a British Association of Councillors and Psychotherapists Accredited and Registered Counsellor. Linda has been counselling for over 13 years and has been the Bank's lead counsellor since November 2005. Alongside this role Linda is advisor to the Bank's Inclusion Team particularly focusing on wellbeing and community.

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Council of Members 2020/21

Name	Title	Organisation
The Rt Hon. Lord Mayor of the City of London	Co-President	Heart of the City
Governor Andrew Bailey	Co-President	Heart of the City
Sushil Saluja	Chair	Heart of the City
Rachel Engel	Deputy Chair	Heart of the City
Edward Braham	Senior Partner	Freshfields Bruckhaus Deringer
Susan Bright	Regional Managing Partner - UK and Africa	Hogan Lovells
Ian Caswell	Managing Director	Sapphire Systems PLC
Tim Clement-Jones CBE	Chairman of the Council	Queen Mary University
Melissa Fogarty	Joint Head of Corporate, London Partner	Clifford Chance
Richard Hardie	Senior Adviser	UBS AG
Peter Harrison	CEO	Schroders PLC
Tom Heylen	London Managing Partner	DLA Piper UK LLP
Laura Hinton	Executive Board Member and Head of People	PwC
Charles Jacobs	Senior Partner	Linklaters LLP
Tiina Lee	CEO, UKI	Deutsche Bank AG
Simon Mackenzie-Smith	Chairman of Corporate and Investment Banking, UK	Bank of America Merrill Lynch
Catherine McGuinness	Chair of Policy & Resources	City of London Corporation
Sarah Mullally	Bishop of London	Church of England
Nick Owen	UK Chairman	Deloitte LLP
Paul Plewman	CEO for EMEA and Head of Commodities and Global Markets EMEA	Macquarie Group Limited
Charles Randell CBE	Chair	Financial Conduct Authority
Peter Vernon	Group Executive Director	Grosvenor

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Trustees' Report

Structure, Governance and Management

The annual report and audited financial statements have been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption, including the exemption from preparing a strategic report. Part of our objectives includes ensuring our governance framework is robust and enables us to achieve our mission. This section explains how we achieve this.

Governing Document

Heart of the City is a company limited by guarantee, incorporated on 20 October 2006 and registered as a charity on 11 December 2006. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In 2010, we combined both documents and updated them in accordance with the Companies Act 2006. In the event of the company being wound up, members are required to contribute an amount not exceeding £10. In May 2015, we updated our charitable objects, to better reflect our mission, and our Memorandum and Articles of Association, in line with the Charities Act 2011.

Recruitment and Appointment of the Board

The Directors of the company ('the Board') are also charity trustees for the purposes of charity law and under the company's articles are known as the trustees.

Selection process for Board Members

In 2018 the Board decided that future recruitment of trustees will be carried out through open advertising. Appointments are made to ensure that any gaps in skills required at Board level are filled. Appointment is undertaken through a vote of the existing trustees and a resolution reflecting the vote is signed by the Chair. The City of London Corporation nominates one trustee.

Board Induction and Training

As part of their selection and subsequent induction, our potential/new Board members are invited to meet our Director, Chair and other trustees to talk through the role and responsibilities of trustees, the work of the charity and its governance structures. New Board members are given the business plan, recent annual report and other information including promotional materials and funder reports. Board members are invited to attend the charity's events and workshops and receive updates on the charity's work in the Director's report which is presented as a key agenda item at each Board meeting.

Management framework

In addition to its Board, Heart of the City has a Council of Members. The members of the Board and the Council are all Members of the company. The Council - which comprises the Lord Mayor and the Governor of the Bank of England (both acting as co-Presidents), the Chair of the City of London Corporation Policy and Resources Committee and senior business leaders - meets once every six months, and its members attend Heart of the City events. The Council members are ambassadors for the project, championing, through their engagement, the growth of effective responsible business practice within their own companies and within member businesses.

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The Board meets quarterly and is responsible for determining Heart of the City's major strategic, financial and other policies. At present the Board has eight members from a variety of professional backgrounds relevant to the work of the charity. Day-to-day responsibility for the provision of the services rests with the Director and her team. The Director is responsible for ensuring that the charity delivers the specified programme and that key performance indicators are met. He also undertakes individual supervision and appraisal of the team, ensuring that they continue to develop their skills and working practices in line with good practice and the Heart of the City business plan.

Conflicts of Interest

The trustees receive no remuneration. No trustee expenses were claimed during the year. The Board has revised and adopted the charity's memorandum and articles of association to reflect the provisions of the Companies Act 2006 relating to the trustees' duties to avoid situations in which they have or can have a direct or indirect interest that conflicts, or may possibly conflict, with the interests of the charity. Trustees are asked to declare any conflicts of interest at the start of each Board meeting.

Relationship with the City of London Corporation

The Director and his team are housed by the City of London Corporation ('CoLC') and, in addition to core funding, receive considerable practical support from the CoLC in the shape of human resources advice, financial processing and other administration. Heart of the City staff are employed by the CoLC and seconded by the CoLC to the charity.

Health and safety, employment policy and internal and financial audit are integral parts of the administration provided by the City of London Corporation. The terms of a service level agreement between CoLC and Heart of the City help the trustees to satisfy themselves that their own responsibilities in these areas are met.

Risk Management

In this year the Board continued to review and re-presented its risk register. Identified risk fell broadly into four categories: Operational (customers, people, premises, volunteers), financial, governance (including legal/regulatory) and reputational.

The Board has established systems or procedures to mitigate these as far as possible. Whilst these procedures can mitigate major risks, the Board is aware that systems can only provide reasonable and not absolute assurance that key risks have been adequately identified and managed. The internal control procedures are designed to support progress towards achieving the charity's mission, to maintain expenditure within the limits of available income, and to safeguard the company's assets.

An annual budget is set each year in line with the goals and targets of the business plan to manage financial risk. Performance against this budget is reviewed monthly by the Director and quarterly management accounts are produced. In addition, regular re-forecasting exercises are undertaken to address changes in the economic environment and respond to changes in income expectations. A set of key performance indicators has been established to focus on the major targets of the business plan covering both financial and non-financial measures.

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Key risks currently identified by Heart of the City and mitigating strategies are as follows:

- Covid-19 – the global Covid-19 pandemic introduced new risks related both to the method of delivery of our work and to our income generation. We have tackled the challenge of not being able to run in-person events by shifting our events, networking and account management online. We also risk loss of members as our membership is made up of small to mid-sized businesses (SMEs) which have been disproportionately impacted by the pandemic and the economic downturn. To mitigate this, we are investing in a new platform to fully embed on-line delivery, enabling access to a wider range of potential members. We have also agreed a new four-year partnership with CoLC which will open up new avenues to engage businesses.
- Long term funding – Following the outcome of an external review of our work, trustees have agreed to invest in a longer-term income diversification strategy. This was a key area of experience required during the recruitment of the new permanent director of Heart of the City. An initial element of this strategy is the recruitment of a new Head of Income & Partnerships role to lead on its delivery. The Trustees have agreed to invest some of the reserves to fund this role for the next four years. Alongside this, in March 2021 we agreed a new four-year partnership to deliver the small business element of CoLC's climate action strategy. Development of this new addition to our programme will provide security of income until 2024/25.
- Change in key funding relationship – The new partnership agreement with CoLC is changing our relationship to a delivery-based model, with funding depending on achieving programme delivery targets. To mitigate the impact of this, we have created a new board sub-committee to oversee and support the team in delivering the climate programme, and invested in a new full-time membership manager.
- Loss of key staff – as with any small organisation loss of one or two key staff can have a major impact. To mitigate this risk we have personal development plans for all staff and use a contact management database to share and record contacts and preserve relationships.

Fundraising

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. Although we do not undertake fundraising from the general public, the legislation defines fundraising as "soliciting or otherwise procuring money or other property for charitable purposes." Such amounts receivable are presented in our accounts as *Income - Donations* and include grants.

In relation to the above we confirm that there is no involvement of professional fund-raisers, or third parties. The day-to-day management of all income generation is delegated to the executive team, who are accountable to the trustees. Any solicitations would be managed internally. The charity is not bound by any undertaking to any regulatory scheme and the charity does not consider it necessary to comply with any voluntary fundraising codes of practice.

We have received no complaints in relation to fundraising activities. Our terms of employment require staff to behave reasonably at all times; as we do not approach individuals for funds we do not have a particular reference to fundraising activities nor do we consider it necessary to design specific procedures to monitor such activities.

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Charity Governance Code

The trustees are supportive of the Charity Governance Code and its aim to assist in the development of high standards of governance throughout the charity sector. In 2018 the trustees reviewed the Code and the charity's current practice. The charity's governance was found to be in line with the key areas of the Code. The trustees have continued to act in line with the Code and progressed further actions through 2020/21, including on diversity and inclusivity, and schemes of delegation. Trustees will keep the Code under review in 2021/22.

Objectives and Activities for the Public Benefit

Our vision is that every business can be a force for good.

Our purpose is to galvanise company leaders to do good business.

Our mission: We inspire and embolden business leaders to build successful companies that make a positive difference to people, places and the planet. Heart of the City does this through equipping leaders with tools and practical advice and connecting them with professionals working in mature businesses who provide coaching support.

Our Charitable Objects

The Board of trustees confirms that it has referred to the Charity Commission's general guidance on public benefit when reviewing Heart of the City's aims and objectives and in planning future activities. Consequently, the trustees consider that Heart of the City operates to benefit the general public and satisfies the public benefit test.

Heart of the City promotes the voluntary sector for the benefit of the public by:

1. making best practice in corporate social responsibility easily accessible to companies through peer-to-peer knowledge sharing in order to effectively promote ethical standards and increase positive impact on communities and the environment;
2. promoting charitable giving by companies and organisations and encouraging individuals to participate in voluntary work, providing education and training on subjects relevant to the efficiency of the voluntary sector and assisting in the provision of financial, technical and other resources to the voluntary sector; and
3. such other charitable objects as the trustees shall consider appropriate.

Like most organisations, we needed to respond to the challenges of the Covid-19 pandemic during 2020/21. We prioritised supporting our members and other small businesses to '*survive and thrive*' throughout the year, whilst adapting our own delivery to meet the needs of the changed operating environment.

As a result, our objectives focussed on:

1. Supporting members to respond to the pandemic
2. Developing our offer for a post-pandemic world
3. Celebrating good responsible business during the pandemic

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The actions we took in 2020/21 to meet these objectives are set out below:

1. Supporting members to respond to the pandemic

Heart of the City's membership year runs from January to December each year. As the pandemic hit in March 2020, we quickly adjusted our programme, focussing on the immediate needs of members and other businesses. We continued to run core elements of the foundation programme, moving delivery on-line. Alongside this, we created a new event series called '*Survive and Thrive*', a programme of webinars exploring how small business can operate in the pandemic, but looked at through a responsible business lens. From April to November, we ran a weekly webinar on subjects from risk-planning when returning to work to navigating the furlough scheme and looking after the wellbeing of remote workers, with expert guidance from companies including Nando's, PwC and Grant Thornton.

17 sessions were delivered, reaching 72 small businesses with the support of 20 business professionals from partner organisations. Sessions were free to access and open to all businesses.

As a result, we saw a difference for businesses involved. 82% of our survey respondents made progress in their responsible business programmes despite the pandemic, and 61% have been able to better support their teams during the pandemic through their membership with us.

The series also opened up new partnership opportunities. The final four sessions were delivered in partnership with the City branch of the Institute of Directors, which has formed the groundwork for future collaboration.

2020 was also Heart of the City's twentieth anniversary, and as part of our celebrations we launched a brand-new website. As our gift to the responsible business community, we also made our resources freely available for the first time ever. This has enabled greater reach to small businesses looking for guidance throughout the pandemic.

The operating environment meant recruitment for the 2021 foundation programme was challenging with many businesses focussed on survival. We recruited 27 new businesses to the programme (2020: 67), retained 39 as on-going members (2020: 39) and had 13 associate members (2020: 13). In terms of paying members who didn't renew, we lost 17 on-going members (2020: 35) and we lost 3 associate members (2020: 2). 91% of members are small and medium sized enterprises (1-250 employees) and 80% are in our target group of 10-250 employees.

2. Developing our offer for a post-pandemic world

In the summer of 2020, NPC - New Philanthropy Capital - a charity support consultancy, undertook a paid-for external review of Heart of the City's work. Key delivery outputs focussed on the need to refine our mission and purpose, supported by more specific impact data and explore ways to deliver more of our work on-line.

We have combined our response to this with our learning from operating in the pandemic. In March 2020, we moved all of our delivery on-line, adapting quickly to web-based meetings and events. This has had a positive effect on the time available to the team, enabling them to deliver more support to members whilst travelling less. Longer-term, we have begun exploring the development of a training platform that will embed on-line delivery into all of our work.

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Alongside this, we have developed a new framework for members. This enables them to assess their approach to responsible business and plot how to develop and improve. At the start of each operating year, members will complete a 'health-check' questionnaire, which will be repeated at the end of the year to track progress. In doing so, we will be able to more effectively demonstrate the difference we are making to members.

Our partnership with CoLC has developed throughout 2020, which has enabled us to develop a greater focus for our outcomes in our core place – the City of London. CoLC have set a target for the Square Mile to achieve net zero carbon emissions by 2040. The role of small businesses will be essential in achieving this. We have agreed to work together to support SMEs to develop and implement net zero plans as part of a new four-year funding relationship that was agreed in March 2021. Developing this focus on climate action will open new opportunities for Heart of the City, whilst strengthening the relationship with CoLC over the next four years.

3. Celebrating good responsible business during the pandemic

2020 was Heart of the City's twentieth year in operation. Whilst our celebration plans changed due to the Covid19 pandemic, we focused on celebrating the stories of our members from over the last twenty years, alongside opening our resource hub to the public. Throughout autumn, we published a series of video case studies showcasing the progress businesses have made through their work with Heart of the City. In December, we also published our twenty-year impact report, which told the story of Heart of the City and set our vision for the future.

In Spring 2020, CoLC asked us to take over the running of the Lord Mayor's Dragon Awards, which celebrate business impact in society. Initial plans to host a celebration event during City Giving Day 2020 were postponed due to coronavirus. However, we celebrated in April 2021; where we congratulated six winners and three highly commended, from a shortlist of 14 businesses.

Challenges

- The Covid-19 pandemic has impacted our ability to recruit members, in part due to the operating environment facing many small businesses and the lack of traditional engagement routes such as physical events. We are developing new approaches and methods, most notably improving our communications and developing new partnerships with business representation and sector bodies. As we enter a new phase in our relationship with the CoLC, recruitment will remain top of the agenda to ensure success in delivering on our targets and commitments.
- The focus on climate action has required new skills and experience within Heart of the City. We have recruited a new trustee and team member to enhance our knowledge in this area and drawn extensively on the support of our ambassador network to support the development of our offer. The board will continue to monitor progress and need, most notably through the creation of a new sub-committee focussed on the delivery of the new climate partnership with CoLC.
- The unclear nature of current economic circumstances has impacted the development of longer-term planning. The board have agreed two-year priorities, underpinned by a longer-term income diversification strategy. These will inform the next iteration of Heart of the City's business plan over the course of the coming year.

Future Plans

We continue to operate effectively, despite the challenges posed by coronavirus. The focus over the coming year will be on establishing a successful programme for the climate offer, piloting a course

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for SMEs and developing an integrated recruitment strategy with the City of London Corporation. This will be essential in reaching the agreed targets and securing on-going funding support. Alongside this, further work will be undertaken to enhance our on-line delivery, selecting and developing the right platform to run all our training courses. In doing so, we will be able to reach businesses in new geographies.

Underpinning this will be the implementation of an income diversification strategy, which will seek to broaden the income base for Heart of the City over the next five years, recognising that agreements with our current major funders come to an end by 2024/25. Trustees have prioritised business development skills in the recruitment of the new permanent director, who will be joining in summer 2021, and agreed to invest some of the reserves in the development of income generation skills within the team.

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Financial Review

Income

Our total income was £459,615 as opposed to £608,732 (restated for 2019/20); this included grants from the charitable company's founding and primary funder, the City of London Corporation of £202,000 (2019/20: £300,000), funding from the City Bridge Trust of £95,000 (2019/20: £95,000), fees for membership of £62,000 (2019/20: £57,415), project income was received from Dragon Awards totalling £10,000 (2019/20: project income of £30,862 was received from Westminster City Council), together with in-kind support £85,004 (2019/20 restated: £117,293). Expenditure of £515,474 compares with £526,692 (restated for 2019/20). The net deficit for the period was £55,859 compared to a net surplus of £82,040 that was noted in the 2019/20 Annual Report. The reduction in income for 2020/21 is linked to two main factors – the change in the way that in-kind support is calculated and the reduction in grant income from the City of London Corporation. Further information is provided in Note 4 to the financial statements.

Reserves Policy

The charitable company's policy is not to accumulate restricted reserves as its two main funders provide resources for the furtherance of the charity's activities, and not for sums to be held in reserve other than for wind-down and contingency operational purposes. Unrestricted funds may be carried forward to be spent in future years in line with charitable activities.

The charity held £376,183 in free reserves at 31 March 2021 which is above our minimum target level of six months of operating costs (£240,000). However, in view of the global pandemic and the results of the external review into our work, the trustees reviewed our reserves after the financial year end and have agreed to invest the surplus reserves in developing the charity's fundraising capacity, to diversify our sources of income.

Donations Policy

If there are concerns about the reputation of the donors or the extent of influence over the organisation sought by the donor, the executive will consider the matter with the Chair of the Board. They will specifically include in their consideration whether there is a threat to the reputation of the charity, or to its independence.

Investment Policy

Most of the charitable company's funds are to be spent in the short term so there are no funds for long term investment. An investment policy is therefore not considered by the trustees to be appropriate for the time being.

Going Concern

The trustees have taken into consideration the organisation's current financial situation and its outlook, including the impact of the Covid-19 pandemic and the knock-on economic situation, and they consider the charity to be a going concern. The trustees have carefully considered the impact on our membership fee income, and the agreement of our new funding partnership with City of London Corporation. They have also reviewed the level of security of funding from our other major funder. Trustees are confident that the charity's plans for mitigation and its strong free reserves position mean that it continues to be a going concern. Please see Note 1(b) to the financial statements.

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The Financial Statements

The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the charity's trust deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective from 1 January 2015 and the Companies Act 2006. The financial statements consist of the following and include comparative figures for the previous year.

- Statement of Financial Activities showing all income and all expenditure incurred and reconciling all changes in the funds of the charity.
- Balance Sheet setting out the assets and liabilities of the charity.
- Statement of Cash Flows shows the movement in cash for the year.
- Notes to the Financial Statements describing the accounting policies adopted and explaining information contained in the financial statements.

Responsibilities of the Trustees

Company law requires the Board to prepare financial statements for each financial year which give a true and fair view of the charitable company's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the Board should follow best practice and:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards and statements of recommended practice have been followed
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation

The Board is responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charitable company and which enable them to ensure that the financial statements comply with the Companies Act 2006. The trustees 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. The Board, who are directors for the purposes of Company law and trustees for the purposes of charity law, who served during the year and up to the date of this report are set out on page 3.

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In accordance with Company law, as the company's directors, we certify that:

- so far as we are aware, there is no relevant audit information of which the company's auditors are unaware
- we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information
- with the continued support of the City of London Corporation and the City Bridge Trust, there are adequate assets to fulfil the obligations of the charity

Adopted and signed for and on behalf of the Board.


S K Saluja (Dec 20, 2021 12:49 GMT)

Sushil Saluja
(Chair of Trustees)

Date: Dec 20, 2021

HEART OF THE CITY OF LONDON LIMITED

Independent Auditor's Report to the Trustees and Members of Heart of the City of London Limited

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31 March 2021 and of incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

We have audited the financial statements of Heart of the City of London ("the Charitable Company") for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the cash flow statement 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).

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 Foundation in accordance with the ethical requirements 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 related 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.

HEART OF THE CITY OF LONDON LIMITED

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The other information comprises: The Report of the Trustee. 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. 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.

Other Companies Act 2006 reporting

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Trustees' Report, have been prepared in accordance with applicable legal requirements.

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 misstatement in the Strategic report or the Trustee's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 requires us to report to you if, in our opinion;

Responsibilities of Trustees

As explained more fully in the Statement of Trustee's Responsibilities, the Trustee is 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 determines 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 Trustee is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern

HEART OF THE CITY OF LONDON LIMITED

and using the going concern basis of accounting unless the Trustees either intend to liquidate the Foundation 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.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We enquired with management and the representatives of the trustee, including obtaining and reviewing supporting documentation, concerning the Charity's policies and procedures relating to:
 - o identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - o detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - o The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- In addition, the charity is subject to a number of laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: employment law, and data protection. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of Those Charged with Governance and other management and inspection of regulatory and legal correspondence if any.
- There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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- We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results – particularly concerning the valuation and recognition of contributions in kind - and management bias in accounting estimates.
- We considered the scope for management to manipulate financial results through the timing of the recognition of grant expenditure, particularly for multi-year grants and grants awarded around year-end.

Audit response to risks identified

- The Senior Statutory Auditor has assessed and concluded that the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations;
- We reviewed the financial statement disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- We made enquiries of the Trustee's representatives and management;
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- We reviewed minutes of meetings of those charged with governance;
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- We challenged assumptions made by management in their significant accounting estimates in particular in relation to the assumptions related to the contributions in kind measurement and recognition.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and

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regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the 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 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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Paul Clark
Paul Clark (Dec 22, 2021 19:39 GMT)

Paul Clark (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London

Date Dec 22, 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

HEART OF THE CITY OF LONDON LIMITED

Statement of Financial Activities for the year ended 31 March 2021

	Notes	Unrestricted Fund £	Restricted Fund £	Total 2020/21 £	Total 2019/20 Restated £
Income and Endowments from:					
Donations and Legacies		202,000	95,000	297,000	395,000
Charitable Activities		72,000	-	72,000	93,655
Interest and Other Income		5,611	-	5,611	2,784
Contributions in-kind		85,004	-	85,004	117,293
Total Income	4	364,615	95,000	459,615	608,732
Expenditure on:					
Charitable Activities		423,589	91,885	515,474	526,692
Total Expenditure	5	423,589	91,885	515,474	526,692
(Expenditure)/income and net movement in funds		(58,974)	3,115	(55,859)	82,040
Reconciliation of funds					
Total Funds brought forward		435,157	70,486	505,643	423,603
Total Funds carried forward		376,183	73,601	449,784	505,643

All operations are continuing. There are no recognised gains or losses other than the results for the period set out above.

The result of net movement in funds is the same as the profit / loss figure under Companies Act 2006.

HEART OF THE CITY OF LONDON LIMITED

Balance Sheet as at 31 March 2021

		2021	2020
	Notes	£	£
Current Assets			
Debtors	7	28,650	27,472
Cash		426,566	479,387
		455,216	506,859
Liabilities			
Creditors: Amounts falling due within one year	8	5,432	1,216
Total Assets less Current Liabilities		449,784	505,643
The funds of the Charity:			
Unrestricted income funds		376,183	435,157
Restricted funds		73,601	70,486
Total Charity funds	9	449,784	505,643

The accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime. The financial statements of Heart of the City, registered company number 5973126, were approved and authorised for issue on behalf of the trustees on 17 November 2021:

SK Saluja
 S K Saluja (Dec 20, 2021 12:49 GMT)

Sushil Saluja
 (Chair of Trustees)

Date: Dec 20, 2021

HEART OF THE CITY OF LONDON LIMITED

Statement of Cash Flows at 31 March 2021

		2020/21 £	2019/20 £
Cash flows from operating activities:			
Net cash (used in) operating activities	Table 1	(58,432)	87,062
Cash flows from investing activities:			
Interest and Other Income		5,611	2,784
Change in cash and cash equivalents in the reporting period		(52,821)	89,846
Cash and cash equivalents at the beginning of the reporting period		479,387	389,541
Cash and cash equivalents at the end of the reporting period	Table 2	426,566	479,387

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Table 1: Reconciliation of net (expenditure) to net cash flow from operating activities

	2020/21 £	2019/20 £
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(55,859)	82,040
Adjustments for:		
Interest and Other Income	(5,611)	(2,784)
(Increase)/decrease in debtors	(1,178)	7,213
Increase/(decrease) in creditors	4,216	593
Net cash provided by (used in) operating activities	(58,432)	87,062

Table 2: Analysis of cash and cash equivalents

	2020/21 £	2019/20 £
Deposits (less than 3 months)	426,566	479,387
Total cash and cash equivalents	426,566	479,387

Table 3: Analysis of cash

	At 1 April 2020	Cashflow	Acquisition/ Disposal of subsidiaries	New finance leases	Fair Value Movements	Foreign Exchange Movements	Other non-cash changes	At 31 March 2021
	£	£	£	£	£	£	£	£
Cash	479,387	5,611	-	-	-	-	(58,432)	426,566

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Notes to the Financial Statements

1. Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the charity's financial statements.

(a) Basis of preparation

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. Heart of the City is a public benefit entity and the financial statements have been prepared in accordance with company law and with the new Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective from 1 January 2019 (2nd Edition) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

(b) Going Concern

The trustees have taken into consideration the organisation's current financial situation and its outlook, including the impact of the Covid-19 pandemic and the knock-on economic situation, and they consider the charity to be a going concern. The trustees have carefully considered the impact on our membership fee income, and the agreement of our new funding partnership with City of London Corporation. They have also reviewed the level of security of funding from our other major funder. Trustees are confident that the charity's plans for mitigation and its strong free reserves position mean that it continues to be a going concern. The trustees consider that there are no material uncertainties about the entity's ability to continue. The financial statements are therefore prepared on a going concern basis.

(c) Income policies

Items of income are recognised and included in the accounts when all of the following criteria are met:

- the charity or its subsidiary have entitlement to the funds;
- any performance conditions attached to the item(s) of income have been met or are fully within the control of the charity or its subsidiary;
- there is sufficient confidence that receipt of the income is considered probable; and
- the amount can be measured reliably

Contributions in-kind: these are included where the benefit to Heart of the City is reasonably quantifiable and measurable and are valued at the price the Charity would expect to pay in the open market which reflects the guidance from the Charities SORP – the value recognised may be lower than, but cannot exceed, the open market value. The value of the in-kind support is only measured and recorded once received.

(d) Expenditure

Allocation of costs between different activities: All costs are allocated directly to charitable activities. There are no financial commitments.

HEART OF THE CITY OF LONDON LIMITED

(e) Pension costs

Heart of the City does not directly employ any staff but eight individuals were seconded from the City of London Corporation during the year for the purposes of the charity. These staff are entitled to be members of the City of London Corporation's Pension Scheme and the related pension costs are incurred within the secondment recharge.

(f) Funds

The charity has two funds – the unrestricted income fund which contains any unspent annual income carried forward for use in future years, and a restricted fund which comprises grant funding from the City Bridge Trust towards the cost of responsible business work.

(g) Support costs

The charity does not employ any staff directly. Officers of the City of London Corporation provide administrative assistance to the charity when required and a figure of £1,434 is included under support costs. In addition a total of £15,842 for accommodation and £8,112 for pro bono expertise is included, all of which are provided on an in-kind basis.

2. Tax Status of the Charity

Heart of the City is a registered charity and as such its income and gains are exempt from income tax to the extent that they are applied to its charitable objectives.

3. Indemnity Insurance

The City of London Corporation has taken out indemnity insurance on behalf of Heart of the City. Heart of the City does not contribute to the cost of that insurance.

4. Income

Income is comprised as follows:

	Unrestricted £	Restricted £	2020/21 £	2019/20 £ Restated
Income				
Grant Income – City of London Corporation	202,000	-	202,000	300,000
Grant Income – City Bridge Trust	-	95,000	95,000	95,000
Membership Fees	62,000	-	62,000	57,415
Project Income – Westminster	-	-	-	30,862
Project Income – Dragon Awards	10,000	-	10,000	-
Donations	-	-	-	5,378
Interest and Other Income	5,611	-	5,611	2,784
Contributions in-kind	85,004	-	85,004	117,293
Total Income	364,615	95,000	459,615	608,732

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In 2019/20 the comparative amount of restricted income was £95,000 and unrestricted income £513,732.

Grants/Donations

The grant income of £297,000 has been received from the City of London Corporation and the City Bridge Trust (2019/20: £395,000), project income of £10,000 has been received from Dragon Awards.

Fees

Membership Fees are in respect of the paid-for membership programmes.

Contributions in-kind

The contributions in-kind of £85,004 relate primarily to the time spent by Heart of the City's business supporters in assisting with programme promotion and delivery. The restated figure for 2019/20 based on the new in-kind methodology is £117,293 (which was previously accounted for as £267,190).

The largest areas of contributions include: Speakers and ambassadors £31,319 (restated 2019/2020: £71,634). Accommodation £15,842 (2019/2020: £15,430). Pro bono expertise £8,112 (restated 2019/2020: £12,744) including £4,000 (2019/2020: £4,000) representing the audit (paid for by the City of London Corporation) and £4,112 (2019/2020: £8,643) legal support including Hogan Lovells as Company Secretary. Significant further changes from 2020/21 were Council time £0 (restated 2019/2020: £100) and Rooms £0 (2019/2020: £3,336).

2020/21 has seen significant changes in our in-kind contributions:

- Due to the Covid-19 pandemic we have delivered our programme on-line rather than in person. As a result, the amount of time speakers and ambassadors have donated has reduced significantly. In addition, we have not needed room space or hospitality.
- Following advice, we have reviewed our methodology for in-kind calculations to exclude meetings of the Council and Board in line with the Charities Statement of Recommended Practice. Members of the Council and the Board continue to provide significant amounts of general volunteering time in support of the charity as ambassadors and directors.

Our calculations are based on advice on good practice provided by Weil, Gotshal & Manges (London) LLP in January 2021 which is aligned to FRS102 and the Charities Statement of Recommended Practice that volunteer hours of CEO/Managing Partner-level volunteers should not be accounted for as income or expense in Heart of the City's Statement of Financial Activities.

The valuation of in-kind contributions is the only key judgement made by the trustees.

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5. Expenditure

Expenditure is analysed between activities undertaken directly and in-kind support costs as follows:

	Activities Undertaken Directly	Support Costs	2021 Total	Activities Undertaken Directly	Support Costs	2020 Total
	2021 £	2021 £	£	2020 £ Restated	2020 £ Restated	£ Restated
Charitable activities						
Heart of the City membership programme	447,899	67,575	515,474	473,551	53,141	526,692
Total Expenditure	447,899	67,575	515,474	473,551	53,141	526,692

No expenditure is incurred by third parties to undertake charitable work on behalf of the charity.

Activities undertaken directly

Activities undertaken directly include £17,429 (restated 2019/2020: £64,152) in respect of in-kind costs.

Charitable activities support costs

Expenditure on charitable activities £55,175 (restated 2019/2020: £34,201) includes labour, equipment, materials and other supplies and services incurred as the running costs of Heart of the City.

Governance support costs

Governance support costs of £12,400 (restated 2019/2020: £18,940) relate to the general running of the charity, rather than specific activities within the charity, and include strategic planning and costs associated with trustee meetings. All governance costs are provided on an in-kind basis.

Auditors' remuneration and fees for external financial services: the auditors' fee of £4,000 has been paid for 2020/21 by City of London Corporation on behalf of Heart of the City. Hogan Lovells, which provided Company Secretarial support, have also waived their fee. No other external financial services were provided for the charity during the year or in the previous year.

Trustees' expenses: trustees of Heart of the City are unpaid and do not receive allowances.

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Analysis of support costs

Support costs	Heart of the City Programmes
Accommodation	£15,842
IT and Marketing	£14,490
Legal	£4,112
Other	£19,241
Speakers and Ambassadors	£31,319
Total	£85,004

6. Staff Numbers and Costs and Overview of Other Expenditure

The number of staff seconded to Heart of the City in the year was eight at a cost of £372,744 of which £59,359 is pension costs and £30,724 is national insurance contributions. The comparative figure for 2019/20 was eleven (including one member of staff on maternity leave until September) at a cost of £362,226 of which £58,269 was pension and £29,727 was national insurance contributions. For 2020/21 there were no members of staff with salary above £60,000 (2019/20 there was one member of staff with salary within the banding £70,000 to £79,999).

Staffing (salaries, pension and national insurance) represents 86% of Heart of the City's annual costs (2019/20: 88%). Other expenditure of £57,726 during 2020/21 (2019/20: £47,173) included fees and services of £36,700 (of which £22,475 was for the NPC report) (2019/20: £9,183), £10,451 on communications and computing (of which £7,964 was new website costs) (2019/20: £18,059), £5,073 on training and recruitment advertising (2019/20: £7,193), £4,400 on premises (2019/20: £1,600) and £1,103 on other miscellaneous costs such as travel, subscriptions, equipment and materials (2019/20: £11,138 including agency staff cost of £6,636).

7. Debtors

Debtors consist of amounts owing to the charity due within one year.

	2021 £	2020 £
Other Debtors	28,650	27,472
Total	28,650	27,472

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8. Creditors

Creditors consist of amounts due within one year in respect of charitable expenditure.

	2021 £	2020 £
Trade Creditors	4,400	-
Accruals	1,032	1,216
Total	5,432	1,216

9. Movement of Funds during the year to 31st March 2021

	Balance at 1 April 2020 £	Income £	Expenditure £	Balance at 31 March 2021 £	Balance at 31 March 2020 £
Unrestricted Funds					
General	435,157	364,615	(423,589)	376,183	435,157
Restricted Funds					
City Bridge Trust	70,452	95,000	(91,885)	73,567	70,452
TheCityTogether	34	-	-	34	34
Total	505,643	459,615	(515,474)	449,784	505,643

Movement of Funds during the year to 31st March 2020

	Balance at 1 April 2019 £	Income £	Expenditure £	Balance at 31 March 2020 £
Unrestricted Funds				
General	354,926	513,732	(433,501)	435,157
Restricted Funds				
City Bridge Trust	68,643	95,000	(93,191)	70,452
TheCityTogether	34	-	-	34
Total	423,603	608,732	(526,692)	505,643

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Unrestricted funds

The balance on the general fund is £376,183 (2019/20: £435,157) and reflects the net movement in funds for the period.

Restricted funds

The balance on the restricted fund is £73,601 (2019/20: £70,486) and reflects the net movement in funds for the period from the City Bridge Trust towards the cost of Heart of the City's work in London boroughs.

10. Analysis of Net Assets between funds: 31st March 2021

	Current Assets £	Current Liabilities £	Balance at 31 March 2021 £
Unrestricted Funds			
General	381,615	(5,432)	376,183
Restricted Funds			
City Bridge Trust	73,567	-	73,567
TheCityTogether	34	-	34
Total	455,216	(5,432)	449,784

Analysis of Net Assets between funds: 31st March 2020

	Current Assets £	Current Liabilities £	Balance at 31 March 2020 £
Unrestricted Funds			
General	436,373	(1,216)	435,157
Restricted Funds			
City Bridge Trust	70,452	-	70,452
TheCityTogether	34	-	34
Total	506,859	(1,216)	505,643

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11. Related Party Transactions

The Heart of the City's relationship with the City of London Corporation is set out in the section on Structure, Governance and Management.

The City of London Corporation provides management and administrative services for the charity. Any related party transactions have been undertaken on an arms-length basis.

The costs incurred by the City of London Corporation in providing these services are charged to the charity. The City of London Corporation also provides banking services, allocating all transactions to the charity at cost and crediting or charging interest at a commercial rate. The cost of these services is set out in the Statement of Financial Activities under "Expenditure". The City of London Corporation provided a grant of £202,000 to Heart of the City in 2020/21 (2019/20: £300,000). As of 31 March 2021, Heart of the City was owed £nil from the City of London Corporation in relation to this grant (2019/20: £nil).

In addition, Heart of the City received contributions in-kind from the Corporation for accommodation (£15,482) and the audit fee (£4,000).

Heart of the City received £95,000 grant funding from the City Bridge Trust, a restricted fund which comprises grant funding towards the cost of responsible business work (2019/20: £95,000). As of 31 March 2021, Heart of the City was owed £23,750 from City Bridge Trust in relation to this grant (2019/20: £23,750).

HOTC - Annual Report 2020-2021 final updated version for signing 20-Dec-21

Final Audit Report

2021-12-22

Created:	2021-12-20
By:	Maggie Berry (maggie.berry@cityoflondon.gov.uk)
Status:	Signed
Transaction ID:	CBJCHBCAABAAu2eq2CgOg9SdQjo6Kfr1KSVn6mSraM5B

"HOTC - Annual Report 2020-2021 final updated version for signing 20-Dec-21" History

 Document created by Maggie Berry (maggie.berry@cityoflondon.gov.uk)

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