

HEART OF THE CITY OF LONDON LIMITED



HEART OF THE CITY ANNUAL REPORT for the year ending 31 March 2024

Company Name: Heart of the City of London Limited
Charity number: 1117212
Company number: 5973126

HEART OF THE CITY OF LONDON LIMITED 31 March 2024

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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, EC1A 2FG
Operational Address:	Innovation Growth Department, Guildhall, London EC2V 7HH
Company Secretary:	Hogan Lovells, Atlantic House, Holborn Viaduct, London, EC1A 2FG
Banker:	Lloyds TSB Bank plc, City Office, PO Box 72, Bailey Drive, Gillingham, Kent ME8 OLS
Auditor:	Crowe U.K. LLP, 55 Ludgate Hill, London, EC4M 7JW
Trustees:	Keith Bottomley (until 5 December 2023) Fiona Clark Rob Elder Rachel Engel (Vice-Chair) (until 3 October 2023) Taraneh Farzaneh Joanne Filbin Kate Neal (from 5 December 2023) Martin Powell Sushil Saluja (Chair) Suzanne Scatliffe Paul Singh (from 28 May 2024) Nick Turner Carmen Whitelock
Director:	Maggie Berry (until 14 May 2024) Andy Melia (from 15 April 2024)
Treasurer:	City of London Corporation

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Trustee Details

Keith Bottomley is an elected Member of the City of London Corporation and is widely involved in leading on youth, education, climate action, environment and broader policy agendas. He is Deputy Chairman of the City of London Corporation's Policy and Resources Committee, Chairman of its Port Health and Environment Committee, and Chairman of Communications and Corporate Affairs Committee. Keith is passionate about advancing the interests of young people and about skills and education. He is a Governor of three Bermondsey Academies as well as a Governor at the City of London School and chairs Partnership for Young London which advances and influences London, Regional and central government on youth policy. Keith is also a member of the Board of the Green Finance Institute and Chairman of the City of London BIDs Strategic Partnership, as well as a Trustee of Heart of the City. A Member of the City of London Gresham Committee and Director of the Central Foundation Schools of London and Trustee of Housing for the Homeless Central Fund. As a Chartered Banker and former Director of Communications at NatWest Group he has a great deal of experience of working at a senior level in the City of London's dynamic financial services industry.

Fiona Clark as a graduate of the Heart of the City's Foundation Programme, and now as an Alumni Member, Fiona brings her personal experience and perspective as an SME to the Board of Trustees. As Practice Director at David Miller Architects (DMA) she has put responsible business at the heart of their practice. By supporting the communities where they work, attracting diverse new talent to the construction industry and actively committing to Net Zero, DMA shows that size is not a barrier, and that SMEs can make a real difference. As a result, DMA and their team have thrived whilst enjoying helping others. Fiona sits on the boards of Westminster Business Council and The Fitzrovia Partnership BID who also encourage responsible business. She is particularly proud that DMA's social value creation, especially their work experience programme, has been recognised with a prestigious City of London Lord Mayor's Dragon Award and a Westminster City Council Lion Award.

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. Rob studied economics at Manchester University (first degree) and Warwick University (master's degree).

Rachel Engel has been the Head of the Macquarie Group Foundation in the EMEA (Europe Middle East and Africa) region for the past twelve years managing the grants programme in region, the 50th Anniversary Award, COVID response fund, staff matching and employee engagement across 14+ offices. Rachel came from IBM where she led the Employee Volunteering programme the EMEA region. She has spent the past 25 years working in various roles in both the charity and corporate sectors focusing on shared value and corporate community investment. She was a founder member of Pride@Macquarie in EMEA and continues to be an active member on the steering group. Previous roles include AOL UK, East London Business Alliance and Bridges.org (tech for good non-profit based in South Africa). Rachel began her career in the arts (theatre production) and is currently Vice Chair of the arts and homelessness charity Streetwise Opera. She is also a trustee for both the Heart of the City and the Sudborough Foundation.

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Taraneh Farzaneh leads on Government Relations for Barclays, focusing on major policy, legislative and reputational developments, and issues such as prudential regulation, sustainability and D&I. She has spent most of her career focusing on SME policy and until recently headed up Government Relations for Business and Corporate Banking. She also managed Barclays' regional Comms and Public Affairs team. Taraneh represents Barclays in discussions with policymakers and politicians at international and national levels and advises the firm's senior management on the potential impact of legislation and public policy. This involves designing and executing campaigns focused and working with stakeholders across government.

Joanne Filbin co-founded Globacap, a UK regulated fintech driving the evolution of capital markets by making processes frictionless through automation. The business now operates globally, deploying tech for large institutions such as Johannesburg Stock Exchange. The platform has hosted over 60 primary placements, settled £135m secondary liquidity, and digitised over £10bn of private securities. Prior to Globacap, Joanne independently advised private equity funds' portfolio companies on operational improvement and profitability enhancement and has held a number of senior roles in transformation at large corporates. Joanne trained as a Chartered Accountant at KPMG, where she spent seven years in both Audit and Transaction Advisory. She also holds an MBA from London Business School.

Kate Neale is Climate Action Director at the City of London Corporation, leading their net zero and climate resilience programmes. She and her team coordinate work delivered across the Corporation to deliver net zero in our own operations by 2027, the value chain and the wider Square Mile by 2040, whilst embedding climate resilience. Kate joined the Corporation with over a decade's experience in property sustainability – most recently creating Cadogan Estate's first sustainability strategy, encompassing net zero, climate risk, air quality, circular economy, water and greening, as well as employment and skills, and social value.

Martin Powell is Group sustainability Director at AXA leading the sustainability outcomes across the group. He previously held roles with Siemens in London and New York in Urban Development and sustainability. 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. An Engineer, he built his career working with organizations as a consultant to structure their projects and programs. He has two published books - "Better Cities, Better Life" and "Smart Cities - Cities in the Digital Age" and his "The Climate City" from Wiley publishing which involves contributions from 30 experts in the sustainable city sector.

Suzanne Scatliffe is Global Sustainability Director at AXA XL, where she leads the global sustainability strategy and programs. Suzanne has 17 years' experience in CSR and sustainability roles in the insurance, technology, and education sectors, and is a certified Sustainability Practitioner (IEMA) and Fellow of the Institute of Corporate Responsibility and Sustainability (ICRS). She served as Chair of the Board of Directors of the Insurance Industry Charitable Foundation (IICF)

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UK from 2018-2021 and volunteers as a Heart of the City Mentor, helping small businesses in the UK develop CSR and Sustainability initiatives.

Sushil Saluja is Chairman of Heart of the City. He is also 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.

Paul Singh is Lead Member for SMEs for the City of London Corporation and is a prominent figure in the property and construction industry, transitioning from labourer to Founder and CFO of EEDN Ltd., which specialises in design and project management for technical real estate. Paul has made significant contributions to industry standards releasing the building standards for life sciences real estate in 2023 – Constructing Science. His insights have regularly been featured in both industry and business publications such as EG and London Business Matters and is an influential speaker, particularly committed to driving prosperity and meaningful change within communities. He holds a number of board and advisory positions including within the City of London Chamber of Commerce and has recently been appointed to improve bilateral business relations between the UK and Italy by the respective embassies.

Nick Turner Strategist, advisor and futures thinker, Nick 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 brings over 15 years of digital marketing, brand and corporate communications experience to our board. Currently the Digital Marketing Lead at Cynergy Bank, Carmen has designed and delivered award-winning websites, apps, brand and digital marketing strategies for organisations including Cazenove Capital, M&S, RSA Insurance Group, Arup and Save the Children UK. Carmen continues to build and maintain a broad network of industry experts and influencers.

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Council of Members

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
Nicola Atkinson	COO, UK and Ireland	Deutsche Bank AG
Zakir Bokhari	Vice-chair and the London City Senior Partner	Deloitte UK
Ian Caswell (until 9 November 2023)	Managing Director	Sapphire Systems PLC
Tim Clement-Jones CBE	Chairman of the Council	Queen Mary University
Aedamar Comiskey (from 1 January 2024)	Senior Partner and Chair	Linklaters LLP
Michael Davison	Deputy CEO	Hogan Lovells
Georgia Dawson	Senior Partner	Freshfields Bruckhaus Deringer
Melissa Fogarty	Joint Head of Corporate, London Partner	Clifford Chance
Jo Goddard	Sustainability Director	Green and Good Consulting
Prem Goyal	Alderman, Portsoken	City of London Corporation
Peter Harrison (until 30 November 2023)	CEO	Schroders PLC
Chris Hayward	Chairman of Policy and Resources	City of London Corporation
Tom Heylen	UK Clients and Sectors Partner	DLA Piper UK LLP
Laura Hinton (until 19 July 2024)	Executive Board Member and Head of People	PwC
Hemione Hudson (from 19 July 2024)	Global Chief Risk and Regulatory Officer, UK Chief Network Officer	PwC
Tiina Lii (until 8 August 2023)	Chief Executive UK and Ireland	Deutsche Bank AG
Andreas Luginbuehl	Managing Director, Chief of Staff to the President EMEA, Head Non-Core & Legacy and UK CEO	UBS Group AG
Sarah Mullally	Bishop of London	Church of England
Paul Plewman	CEO for EMEA and Head of Commodities and Global Markets EMEA	Macquarie Group Limited
Giles Shilson	Chair	Bridge House Estates

This list reflects companies and job titles when individuals were in post as Council members.

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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

Recruitment of trustees is 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 (CoLC) 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 CoLC's Policy and Resources Committee and senior business leaders, meets every six months. In addition, Council members attend Heart of the City events. Council members are ambassadors for the charity, championing the growth of effective responsible business practice within their own companies and within member businesses.

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The Board met six times in 2023-24 and is responsible for determining Heart of the City's major strategic, financial and other policies. As of 31 March 2024, the Board has eleven 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 their team. The Director is responsible for ensuring the charity delivers the specified programme and that key performance indicators are met. They also undertake 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 conflicts of interest. Trustees have a duty 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 their team are housed by the City of London Corporation and, in addition to core funding, receive considerable practical support from the Corporation in the shape of human resources advice, financial processing and other administration. Heart of the City staff are employed by the Corporation 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 CoLC. 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 financial year, the Board continued to review and update its risk register. Identified risks fell broadly into four categories: strategic, financial, operational (programmes, customers, personnel, premises, volunteers), and governance (including legal and reputation). In addition, in line with ISA240, trustees have considered the specific risk of fraud to the charity for both finances and assets.

The Board has established systems and 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 have 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:

- Long term funding – funding across the charity sector remains challenging. Heart of the City have developed a funding strategy, underpinned by investment in key business development roles, to diversify the charity's income base. This has included developing new partnership models to secure larger public sector funding contracts, and a new commercial model to secure funding from a wider range of corporates. As part of a wider strategic review, the charity is undergoing a review of its impact model to support the identification of further funding avenues and ensure that bids are underpinned by solid impact data.
- SME (small and medium sized enterprise) recruitment and engagement – the ongoing cost of living crisis means that the recruitment of SMEs onto our responsible business and climate programme is challenging along with maintaining good engagement of existing SME members. We work to continually update and adapt our programme offer and recruitment messaging to attract new members, including developing new partnerships, such through Minority Business Managers, to leverage resources and expertise. We have also developed programmes whereby corporates bring groups of their SME suppliers to us. We continue to embed online delivery, enabling us to offer our programmes to SMEs throughout London and more broadly across the UK. We also work closely with a network of recruitment partners who assist us in reaching new SMEs and we ensure that our programme structure and content remains relevant and useful for our SME members.
- We have embarked on our first co-delivery partnership with Minority Supplier Development UK (MSDUK), through Minority Business Matters. This requires new ways of working, operational and risk management to ensure successful delivery of this project. To mitigate this, we have put in place a partnership agreement, reviewed and agreed with the boards of both organisations, and have established a steering group comprising the managing directors of both organisations and the project lead. A project lead has been recruited to manage delivery and clear KPIs established. Regular operational meetings are held to ensure that the delivery team across the two organisations is co-ordinated, supported and on track. In addition, regular review meetings are held with the funding manager at the Greater London Authority (GLA) to review progress and consider risks and highlight challenges with delivery of the KPIs.
- On going changes in key funding relationship – in March 2021, we agreed a four-year partnership to deliver the small business element of CoLC's climate action strategy which provides security of income until March 2025. The partnership agreement with CoLC changed our relationship to a delivery-based model, with funding depending on achieving programme delivery targets. To mitigate the impact of this, we have a Board sub-committee to oversee and support the team in delivering the climate programme and have expanded our relationship with senior decision makers at Board and Council level.
- Loss of key staff – as with any small organisation, the 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 should

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any staff member leave. The Board and Director have also reviewed the Reserves policy¹ to ensure that there is sufficient funding available to support interim cover.

- External attack on IT systems - the charity is aware of the risks involved in an external attack on IT systems including possible loss of confidential information; third party action under data protection regulations; loss of core data necessary for the charity to operate; fraudulent use of our resources and reputational damage. In June 2023, the charity achieved Cyber Essentials Plus Certification and will continue to seek reaccreditation. All office functions are facilitated by cloud-based services such as Office 365, SharePoint and Salesforce. Business critical documents are saved on SharePoint which is provided by the CoLC. There is ongoing monitoring of systems and security by system suppliers and CoLC IT, as well as annual reviews of insurance cover and the business continuity plan.

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 there is no involvement of professional fund-raisers or third parties. The day-to-day management of all income generation is delegated to the Director, who is 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 always behave reasonably. 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.

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 in 2023-24 and will keep the Code under review in 2024-25.

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.

¹ See Page 15

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Our mission: We inspire and empower 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.

Our objectives in 2023-24 which enabled us to fulfil our charitable objects were:

1. Supporting SME members with responsible business
2. Supporting SME members with climate action
3. Expand our work with large organisations to enable them to support SMEs in their value with responsible business activities

The actions we took in 2023-24 to meet these objectives are set out below:

1. Supporting SME members with responsible business

In Summer 2023, we launched a new partnership with MSDUK, the UK's leading supplier diversity organisation connecting ethnic minority businesses with global corporations. This partnership aims to overcome the challenges London's ethnic minority businesses often face when seeking public and private sector business opportunities. Called Minority Business Matters and funded by the UK Government through the UK Shared Prosperity Fund, we will safeguard or increase jobs and remove barriers to accessing new customers and markets by supporting ethnic minority businesses to become supplier-ready, embed social value best practice and connect to procurement opportunities. Ethnic minority businesses engaged with the partnership are able to access Heart of the City's Foundations for Responsible Business (FfRB) programme, to support the development of their responsible business, social value and net zero strategies - all key elements of becoming supplier ready.

The FfRB programme aims to support SMEs across multiple industries and welcomes all SMEs. Over the course of the year we supported 166 SMEs, including businesses beginning or ending their membership with us during this period.

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Each SME on our FfRB programme has their own individual aims and priorities. We recognise that each company is unique, and we don't push members to do the same thing, but we provide a wide range of content, workshops, surgeries and engagement opportunities to best suit time poor SMEs. During 2023-24, members of the FfRB programme were able to attend 20 responsible business learning events, including two in-person networking opportunities. Our most popular events for our members were our *Lunch and Learn* sessions focusing on Social Value, and our workshop with the Living Wage Foundation.

In March 2023 we also began a new bespoke programme with Places for London (TfL's property arm), to support up to 40 of their tenants. The programme aims to support their small businesses understand the benefits of responsible business, encourage them to measure their carbon footprint, and become Living Wage employers.

Through our partnerships with MSDUK and Places for London, we welcomed SMEs with a stronger consumer focus (B2C) as opposed to the more common business to business SMEs we have worked with. As a result of this shift, we have seen a greater focus on people and community related support, as well as articulating what sustainability means to a business.

2. Supporting SME members with climate action

In March 2021, we agreed a four-year funding relationship with the CoLC. CoLC have set a target for the Square Mile to achieve net zero carbon emissions by 2040. The reduction in emissions from small businesses is essential in achieving this. We agreed to work together to support SMEs to measure their carbon footprints and to develop and implement net zero action plans. We developed a training programme called 'Climate for SMEs: 4 steps to action' along with an accompanying climate action toolkit that is free to access for any SME. By March 2024, 195 SMEs had engaged with the training programme, and 49 had committed to a 90% reduction in carbon emissions by 2040, equating to 34,640 tonnes CO₂e. In addition, our climate action toolkit had been used by 1020 SMEs.

We also run a series of online education sessions on climate action topics. Between April 2023 and March 2024, these sessions covered collecting and measuring carbon data, a deep dive into carbon offsets, why nature matters to SMEs, and the impact of financial investing on a carbon footprint. By March 2024, 508 SMEs who are based or operating in the Square Mile have attended an education session and understand the importance of climate action.

3. Supporting large organisations to develop responsible business practices across their value chains

Whilst we have always included a focus on environment in our FfRB programme, developing our specific focus on climate action has opened up new opportunities for Heart of the City and has helped us to support more SMEs with net zero including SMEs in the supply chain of large corporates. For example, from March to October 2022, we ran an eight-month net zero mentoring programme for 39 SME suppliers to the property company Grosvenor to support them in measuring their carbon footprint and in submitting a science-based target. This bespoke support programme has generated interest with other large corporates who recognised the value of working with the SMEs in their supply chain. These particularly focus on working with SME suppliers on carbon emission reductions to positively impact their own supply chain emissions.

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In addition to the programme, we are running with Places for London, during 2023-24 we further developed our bespoke training offer and commenced two programmes with large corporates to support climate action. From December 2023 to the end of August 2024, we ran a nine-month programme for Canary Wharf Group, a commercial and residential property management and development company, with 27 of the SME suppliers. The programme supported the SMEs to measure a robust carbon footprint, create a net zero action plan, and submit targets to the Science Based Target initiative. We are currently running a similar eight-month programme with the law firm Pinsent Masons for 16 of their SMEs suppliers. This programme started in February and runs to the end of October 2024.

Challenges

- Income diversification remains a key priority, particularly identifying long-term funding. The development of our bespoke programme model has opened new avenues to engage larger businesses as partners. We have continued to trial and refine this offer to ensure that both our delivery and pricing models are attractive. However, this remains a developing area of work, and we still require a mix of funding streams to ensure our on-going financial sustainability.
- The economic environment has also continued to impact our ability to recruit and engage new SME members (both paid-for and free places) – along with a reduced access to traditional engagement routes such as in-person events. Over the last year we increased our free lunch and learns to generate more interest in the charity's work, but we have seen that SMEs do have a financial barrier to paying for the programme themselves. This is why grant funding, which enables us to offer free places to certain SMEs, or sponsored places from larger organisations are so vital.
- We continue to build relationships across the wider CoLC team to ensure we're in touch with all departments in the Corporation who have direct contact with SMEs in the Square Mile. This has included contributing to the development of the Corporation's first small business strategy. SME recruitment in the Square Mile remains top of the agenda to ensure success in delivering on our CoLC KPIs. The lack of a central database of SME contacts in the City is a challenge for Heart of the City and City Corporation departments looking to provide support to SMEs based in the Square Mile.
- One of the main challenges we continually face on the Climate for SMEs course is a dropout rate from the programme or SMEs having to pause their membership of the course. This is due to the significant challenges facing small businesses, including constraints on time, resources and capacity needed to complete the programme. Additionally, SMEs leave the programme due to staff turnover and changes in businesses priorities which impacts buy-in into the process. We try and limit the number of dropouts and businesses pausing by having regular email communication with course participants and the offer of bespoke 1:1 support to guide the SMEs through any data collection or carbon footprint measurement challenges they face. In addition, there is a marked difference in engagement levels between the CoLC funded programme and the work that we do with large corporates to support SMEs in their supply chain. The combination of support and incentives provided by the supply chain work results in more businesses completing all stages of the programme.
- In the past year we have aimed to broaden what the FfRB programme focuses on within 'environment' and have run sessions on nature and biodiversity. Carbon footprint reporting is

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more of a necessity for businesses wanting to work with larger suppliers and public institutions. For SMEs who are consumer focused, a carbon footprint is not easily communicated to the public and so, a wider focus on 'sustainability' and the impact of business has been more relevant. However, even if an SME is consumer-facing, measuring their carbon footprint is a valuable tool to understanding their environmental impact.

Future Plans

The focus over the coming years will be the development of a new long-term strategy that will enhance both our reach and impact, underpinned by a secure financial model. 2025 is Heart of the City's 25th anniversary and provides an ideal opportunity to take stock of our success and consolidate the different areas of work that have been developed over the last few years into a cohesive approach that can ensure we are supporting communities and the environment by enabling more SMEs to embed business responsible principles into their operations.

A core aspect of this will be the development of a comprehensive impact framework, which will enable the charity to better quantify and communicate the difference we make. This is an essential next step in developing our income diversification strategy, enabling us to provide evidence of the change that we make, through which we can engage more corporates and other funders.

We will also review the successful implementation of the Minority Business Matters programme to identify how we can harness further new approaches. Our collaboration with MSDUK has provided an opportunity to test more in-depth partnership working, and we will explore the development of other partnerships that will deliver our mission and support our income diversification.

Alongside this, we will continue to deliver engaging and relevant content within our FfRB programme, and we will further develop our climate offer ensuring we provide our SMEs with the most up-to-date resources that are suitable for SMEs. This will include enhancing our online delivery, maximising our use of Thinkific and reaching businesses through new partnerships and in new geographies.

A major ambition remains for us to raise our profile so that more businesses – both large and small – and the public sector know about the positive impact of responsible business, make use of our free resources and come to us when they want access to paid-for training support. We would like Heart of the City to be front of mind whenever the public and private sectors think about responsible business support for SMEs. We will explore how we can develop our advocacy and influencing role by drawing learning from Minority Business Matters and our bespoke programmes, and use this to engage new audiences, particularly across business and government.

HEART OF THE CITY OF LONDON LIMITED

Financial Review

Income and Expenditure

Our total income was £659,667 versus £260,805 for 2022-23. The increase is mainly driven by the first tranche of funding from the UK Shared Prosperity Fund, which amounted to £388,373. There have also been additional pro-bono legal services received which have increased our gift-in-kind income and expenditure in the year.

Expenditure of £954,101 compares with £537,230 for 2022-23 – this difference in expenditure is mainly due to the UKSPF grant, a proportion of which is transferred to our partner organisation MSDUK in payment for salary and project costs related to Minority Business Matters. As such, the net deficit for the period was £294,434 compared to a net deficit of £276,425 for 2022-23.

Reserves Policy

The charitable company's policy is not to accumulate restricted reserves as restricted projects are intended to be fully funded but not surplus generating. Unrestricted funds may be carried forward to be spent in future years in line with charitable activities and for wind-down or other contingency purposes.

The charity held a total of £396,172 of unrestricted reserves at 31 March 2024 which includes £200,000 of accrued grants receivable from the CoLC. Setting aside the CoLC grant receivable, year-end free reserves were below the target level of six months of operating costs (£240,000). Trustees and the Director have put in place a plan to build up reserve levels over the coming financial year, as well as to continuously review required levels, taking into account changes in staffing structures and the need to provide cover in the event of a long-term absence.

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 Director 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, its business development pipeline as well as the ongoing challenging economic situation, and they consider the charity to be a going concern. The trustees have carefully considered the impact of the economic environment and the growth of our corporate partnerships, as well as the end of the current four-year funding agreement with the City of London Corporation and the UK Shared Prosperity Fund (UKSPF). Trustees are confident that the charity's plans for income growth and its on-going partnership with the Corporation mean that it continues to be a going concern.

HEART OF THE CITY OF LONDON LIMITED

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 2.n 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 securing of the UKSPF grant combined with corporate sponsorship secured, there are adequate assets to fulfil the obligations of the charity

HEART OF THE CITY OF LONDON LIMITED

Adopted and signed for and on behalf of the board.

S K Saluja

[S K Saluja \(Dec 13, 2024 18:21 GMT\)](#)

Sushil Saluja
(Chair of Trustees)

Date: 13/12/2024

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

We have audited the financial statements of Heart of the City of London Limited ('the charitable company') for the year ended 31 March 2024 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and notes to the financial statements, including 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 March 2024 and of its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

HEART OF THE CITY OF LONDON LIMITED

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 this gives rise to a material misstatement in the financial statements themselves. 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 our audit

- the information given in the trustees' report, which includes the directors' 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 directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' 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 and proper accounting records have not been kept; 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' directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 16 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.

HEART OF THE CITY OF LONDON LIMITED

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 together with the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR) and Health and Safety Legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of grant, project and contributions in-kind income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Board of Trustees about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission,

HEART OF THE CITY OF LONDON LIMITED

sample and cut-off testing of income and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.



Tina Allison
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

18 December 2024

HEART OF THE CITY OF LONDON LIMITED

Statement of Financial Activities for the year ended 31 March 2024

	Notes	Unrestricted Fund £	Restricted Fund £	Total 2023-24 £	Total 2022-23 £
Income and Endowments from:					
Donations and Legacies		-	-	-	95,000
Charitable Activities		125,643	358,275	483,918	110,267
Interest and Other Income		11,181	-	11,181	8,307
Contributions in-kind		164,568	-	164,568	47,231
Total Income	4	<u>301,392</u>	<u>358,275</u>	<u>659,667</u>	<u>260,805</u>
Expenditure on:					
Charitable Activities		595,826	358,275	954,101	537,230
Total Expenditure	5	<u>595,826</u>	<u>358,275</u>	<u>954,101</u>	<u>537,230</u>
(Expenditure) and net movement in funds		<u>(294,434)</u>	<u>-</u>	<u>(294,434)</u>	<u>(276,425)</u>
Reconciliation of funds					
Total Funds brought forward		690,606	-	690,606	967,031
Total Funds carried forward		<u>396,172</u>	<u>-</u>	<u>396,172</u>	<u>690,606</u>

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 2024		Notes	2024	2023
			£	£
Current Assets				
Debtors	7		415,130	430,409
Cash			165,163	286,700
			580,293	717,109
Liabilities				
Creditors: Amounts falling due within one year	8		184,121	26,503
Total Assets less Current Liabilities			396,172	690,606
The funds of the Charity:				
Unrestricted income funds			396,172	690,606
Restricted Funds			-	-
Total Charity funds	9		396,172	690,606

The accounts have been prepared in accordance with the provision of the small companies' regime within Part 15 of the Companies Act 2006. The financial statement of Heart of the City, with registered company number 5973126 were approved and authorised on behalf of the trustees on.

13/12/2024

S K Saluja

S K Saluja (Dec 13, 2024 18:21 GMT)

Sushil Saluja

(Chair of Trustees)

Date: 13/12/2024

HEART OF THE CITY OF LONDON LIMITED

Statement of Cash Flows at 31 March 2024

		2023-24 £	2022-23 £
Cash flows from operating activities:			
Net cash (used in) operating activities:	Table 1	(132,718)	(107,753)
Cash flows from investing activities:			
Interest and Other Income		<u>11,181</u>	<u>8,307</u>
Change in cash and equivalents in the reporting period		(121,537)	(99,446)
Cash and cash equivalents at the beginning of the reporting period		<u>286,700</u>	<u>386,146</u>
Cash and cash equivalents at the end of the reporting period	Table 2	<u>165,163</u>	<u>286,700</u>

HEART OF THE CITY OF LONDON LIMITED

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

	2023-24 £	2022-23 £
Net (expenditure) for the reporting period (as per the statement of financial activities)	(294,434)	(276,42)
Adjustments for:		
Interest and Other Investment Income	(11,181)	(8,307)
(Decrease)/increase in creditors	157,618	(21,776)
Decrease/(increase) in debtors	15,279	198,755
Net cash (used in) by operating activities	(132,718)	(107,753)

Table 2: Analysis of cash and cash equivalents

	2023-24 £	2022-23 £
Deposits (less than 3 months)	165,163	286,700
Total cash and cash equivalents	165,163	286,700

Table 3: Analysis of changes in cash

	At 1 April 2023 £	Cashflow £	At 31 March 2024 £
Cash	286,700	(121,537)	165,163

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 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, its business development pipeline as well as the ongoing challenging economic situation, and they consider the charity to be a going concern. The trustees have carefully considered the impact of the economic environment and the growth of our corporate partnerships, as well the end of the current four-year funding agreement with the City of London Corporation and the UK Shared Prosperity Fund. Trustees are confident that the charity's plans for income growth and its on-going partnership with the Corporation mean that it continues to be a going concern.

(c) Income policies

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

- the charity has 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

SME memberships are provided on a rolling basis (i.e. an SME can join at any time in the calendar year and their membership will run for 12 months from that date) and so SME membership fees are recognised in the financial year they relate to, with amounts being deferred into the following financial year as appropriate.

Contributions in-kind 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. Please see note 4 below for more details.

HEART OF THE CITY OF LONDON LIMITED

(d) Expenditure

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

(e) Pension costs

Heart of the City does not directly employ any staff directly, all staff are 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 UK Shared Prosperity Fund (UKSPF) and is provided with stipulations on spend.

(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. These support costs are accounted for within the in-kind support and cover administrative support received by the finance department, accommodation feed and pro bon expertise. The charity has an in-kind policy which details how in-kind costs are recognised.

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.

HEART OF THE CITY OF LONDON LIMITED

4. Income

Income is comprised as follows:

	Unrestricted £	Restricted £	2023-24 £	2022-23 £
Income				
Grant Income – City Bridge Trust	-	-	-	95,000
Membership Fees	35,857	-	35,857	57,767
Grant Income: UKSPF – Minority Business Matters Project	30,098	358,275	388,373	-
Project Income – Dragon Awards	15,000	-	15,000	15,000
Project income	44,688	-	44,688	37,500
Interest and Other Income	11,181	-	11,181	8,307
Contributions in-kind	164,568	-	164,568	47,231
Total Income	301,392	358,275	659,667	260,805

In 2023-24 restricted income was £358,275 (2022-23: £95,000) and the comparative amount of unrestricted income was £301,392 (2022-23: £165,805).

Grants/Donations

Grant income of £388,373 was received in 2023-24 (2022-23: £95,000); project income of £44,688 has been received from bespoke programmes for both the Foundations for Responsible Business and Climate for SMEs programmes; £15,000 for Dragon Awards (2022-23: £37,500 project income for mentoring programme and £15,000 for Dragon Awards).

Fees

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

Contributions in-kind

The contributions in-kind of £164,568 (2022-23: £47,231) relate to accommodation provided by the City of London Corporation, pro-bono legal advice and the time spent by Heart of the City's business supporters in assisting with programme promotion and delivery. The increased contribution in-kind for 2023-24 is due to the team requiring more pro-bono legal support in this financial year.

Interest and Other Investment Income

Interest and other investment income of £11,181 is comprised of income earned on cash and short-term investments that are held within the City of London Corporation's Banking Section.

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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	2024 Total	Activities Undertaken Directly	Support Costs	2023 Total
	2024 £	2024 £	£	2023 £	2023 £	£
Charitable activities						
Heart of the City membership programme	799,661	154,440	954,101	489,999	47,231	537,230
Total Expenditure	799,661	154,440	954,101	489,999	47,231	537,230

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

Charitable activities support costs

Expenditure on charitable activities £31,419 (2022-23: £22,439) includes accommodation, labour, equipment, materials and other supplies and services incurred as the running costs of Heart of the City. This support is provided by CoLC, by individuals within the Heart of the City ambassador network of industry experts as well as by PwC for VAT software use and by Salesforce for CRM use.

Governance support costs

Governance support costs of £123,021 (2022-23: £9,735) 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 £5,450 (2022-23: £5,450) has been paid for 2023-24 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 - £0 expenses were paid in 2023-24 (2022-23: £0).

HEART OF THE CITY OF LONDON LIMITED

Analysis of support costs

Support costs	Heart of the City Programmes
Accommodation	£21,249
IT and Marketing	£5,895
Legal	£113,914
Other	£12,962
Speakers and Ambassadors	£420
Total	£154,440

6. Staff Numbers and Costs and Overview of Other Expenditure

	2023-24	2022-23
Salaries	£415,447	£343,343
Pension costs	£87,250	£71,829
National Insurance costs	£44,157	£38,488
Redundancy	£3,419	-
Total staffing costs	£550,273	£453,660

The average number of staff seconded to Heart of the City across the year was nine (2022-23: six). This staff number was made up of 12 different individuals working for the charity throughout 2023-24 (2022-23: 11). For 2023-24 there was 1 member of staff with salary above £60,000 (2022-23: 1). Key management personnel include the charity's Director and Head of Programmes roles and their combined total compensation for 2023-24 was £176,472 (2022-23: £171,689).

Staffing costs of £550,273 (salaries, pension and national insurance) represents 70% of Heart of the City's annual costs (2022-23: £453,660 / 93%). Other expenditure of £239,259 during 2023-24 (2022-23: £36,339) included MSDUK costs for the Minority Business Matters project of £154,044 (2022-23: £0); marketing services of £19,454 (2022-23: £3,756), £28,723 on systems and computing (2022-23: £14,792), £3,220 on training and recruitment advertising (2022-23: £7,746), £1,938 on office administration and IT support costs (2022-23: £6,000) and £31,877 on other miscellaneous costs such as subsistence, travel, insurance, equipment and materials (2022-23: £4,045).

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7. Debtors

Grants Receivable relates to £200,000 from CoLC and £126,123 from the UKSPF. A further £89,007 is related to amounts receivable related to bespoke programmes where delivery is split across two financial years.

	2024 £	2023 £
Other Debtors	89,007	30,409
Grants Receivable	326,123	400,000
Total	415,130	430,409

8. Creditors

Receipts in Advance of £86,322 relates to 2024-25 SME membership fees and income from bespoke programmes (2022-23: £26,503). Trade Creditors includes a discretionary payment towards a member of staff of £3,419 (2022-23: nil), payments owing related to the provision of the Minority Business Matters project in 2023-24 of £72,525 (2022-23: nil) and £21,786 owing to HMRC (2022-23: nil).

	2024 £	2023 £
Trade Creditors	97,764	-
Accruals	36	-
Receipts in Advance	86,322	26,503
Total	184,122	26,503

9. Movement of Funds during the year to 31st March 2024

	Balance at 1 April 2023 £	Income £	Expenditure and transfers £	Balance at 31 March 2024 £	Balance at 31 March 2023 £
Unrestricted Funds					
General	690,606	301,392	(595,826)	396,172	690,606
Restricted Funds					
City Bridge Trust	-34	-	34	-	(34)
TheCityTogether	34	-	-34	-	34
UKSPF	-	358,275	(358,275)	-	-
Total	690,606	659,667	(954,101)	396,172	690,606

HEART OF THE CITY OF LONDON LIMITED

Fund transfers

Within the expenditure and transfers column there is a £23,750 transfer of funds from the general reserve to the City Bridge Trust project restricted reserve. A deficit was arising in the restricted fund and no further income for the project is due to be received, so the costs were borne out of the general reserves in the year.

Movement of Funds during the year to 31st March 2023

	Balance at 1 April 2022 £	Income £	Expenditure £	Balance at 31 March 2023 £
Unrestricted Funds				
General	896,874	165,805	(372,073)	690,606
Restricted Funds				
City Bridge Trust	70,123	95,000	(165,157)	(34)
TheCityTogether	34	-	-	34
Total	967,031	260,805	(537,230)	690,606

Restricted funds

UKSPF Fund

The UKSPF restricted fund is related to the Minority Business Matters project. This project is aimed at working with ethnic minority owned businesses operating within Greater London to become supplier ready, and in doing so create or safeguard jobs and/or adopt new products and services or enter new markets. Expenditure incurred by Heart of the City in relation to this project, alongside costs recharged by our business partner MSDUK, are also reported against this restricted fund. As part of this agreement an unrestricted contribution to core costs is also received; this is reported in general reserves.

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10. Analysis of Net Assets between funds: 31st March 2024

	Current Assets £	Current Liabilities £	Balance at 31 March 2024 £
Unrestricted Funds			
General	580,293	(184,121)	396,172
Restricted Funds			
City Bridge Trust	-	-	-
TheCityTogether	-	-	-
UKSPF	-	-	-
Total	580,293	(184,121)	396,172

Analysis of Net Assets between funds: 31st March 2023

	Current Assets £	Current Liabilities £	Balance at 31 March 2023 £
Unrestricted Funds			
General	717,075	(26,469)	690,606
Restricted Funds			
City Bridge Trust	-	(34)	(34)
TheCityTogether	34	-	34
Total	717,109	(26,503)	690,606

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 IT support and shared office administrative services for the charity. In 2023-24, £1,600 and £4,400 were charged to the charity for office admin and IT support services (2022-23: £1,600 for office admin and £4,400 for IT support). As of 31 March 2024, Heart of the City owed £nil to the City of London Corporation in respect of these charges (2022-23: £nil). Heart of the City staff are employed by the CoLC and seconded by the CoLC to the charity; for further details see note 6.

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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 is currently providing a four-year grant to Heart of the City which provides £200,000 of cash receipts per year from 2021-22 to 2024-25. This £800,000 grant was recognised in full in the 2021-22 accounts. As of 31 March 2024, Heart of the City is due £200,000 from the City of London Corporation in relation to this grant (2022-23: £400,000).

In addition, Heart of the City received contributions in-kind from the Corporation for accommodation of £21,249 (2022-23: £15,910) and audit fee of £5,450 (2022-23: £5,450).

Heart of the City received £0 grant funding from the City Bridge Trust, a restricted fund which comprises grant funding towards the cost of responsible business work (2022-23: £95,000). As of 31 March 2024, Heart of the City was owed £0 from City Bridge Trust in relation to this grant (2022-23: £23,750).

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Final Audit Report

2024-12-13

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