

HEART OF THE CITY OF LONDON LIMITED



HEART OF THE CITY ANNUAL REPORT for the year ending 31 March 2025

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

HEART OF THE CITY OF LONDON LIMITED 31 March 2025

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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:	Fiona Clark Rob Elder Taraneh Farzaneh Joanne Filbin Kate Neale 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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The Trustees

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).

Taraneh Burton 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.

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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) 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

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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	Bank of England
Sushil Saluja	Chair	Heart of the City
Nicola Atkinson (until 30 October 2024)	COO, UK and Ireland	Deutsche Bank AG
Zakir Bokhari	Vice-chair and the London City Senior Partner	Deloitte UK
Tim Clement-Jones CBE	Chairman of the Council	Queen Mary University
Aedamar Comiskey	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
Alison Gowman (from 01 October 2024)	Alderman, Ward of Dowgate	City of London Corporation
Prem Goyal	Alderman, Portsoken	City of London Corporation
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
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
Phillipa O'Connor (from 01 October 2024)	Chief People Officer	PwC
Paul Plewman	CEO for EMEA and Head of Commodities and Global Markets EMEA	Macquarie Group Limited
Giles Shilson	Chair	Bridge House Estates

Note, 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 organisation was originally established under a Memorandum of Association, which set out the charitable company's objects and powers, and is governed by its Articles of Association. In 2010, the Memorandum and Articles of Association were consolidated and updated in accordance with the Companies Act 2006. In the event of the company being wound up, each member is required to contribute a sum not exceeding £10. In May 2015, the charitable objects were updated to better reflect Heart of the City's mission. At the same time, the governing documents were revised to align with the requirements of 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

The recruitment of Trustees is conducted through open advertising to attract a diverse range of candidates. Appointments are made based on the skills and experience required to ensure a balanced and effective Board. All appointments are approved by a vote of the existing Trustees, and a resolution confirming the appointment is signed by the Chair. In addition, one Trustee is nominated by the City of London Corporation (CoLC).

Board Induction and Training

As part of their selection and subsequent induction, potential/new Board members are invited to meet the 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 2024-25 and is responsible for determining Heart of the City's major strategic, financial and other policies. As of 31 March 2025, 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 fall broadly into four categories: strategic, financial, operational (including programmes, customers, personnel, premises, and volunteers), and governance (including legal and reputational risks). In addition, in line with ISA240, Trustees have considered the specific risk of fraud relating to both the charity's finances and its assets.

The Board has established systems and procedures to mitigate these risks as far as reasonably possible. While these systems can significantly reduce risk, they cannot provide absolute assurance that all risks have been fully identified or managed. Internal control procedures are designed to support delivery of the charity's mission, maintain expenditure within available income, and safeguard the charity's assets.

An annual budget is set each year in line with the goals and targets outlined in the business plan to manage financial risk. Performance against budget is monitored monthly by the Director, with quarterly management accounts prepared for Board review. In addition, regular reforecasting exercises are undertaken to adapt to changes in the economic environment or shifts in income expectations. A set of key performance indicators (KPIs) covering both financial and non-financial measures is used to monitor delivery against the major targets of the business plan.

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Key risks currently identified by Heart of the City and the strategies in place to mitigate them include:

- **Long-term funding** – The funding environment across the charity sector remains highly competitive. Heart of the City has developed a funding strategy supported by investment in key business development roles to diversify income. This includes the development of new partnership models aimed at securing larger public sector funding contracts and a commercial model to increase income from a broader range of corporates. As part of a wider strategic review, the charity is refining its impact model to strengthen future funding bids with robust outcomes data.
- **SME recruitment and engagement** – The cost of living crisis continues to impact SME participation in our responsible business and climate programmes. In response, we have refined our programme offer and recruitment messaging to enhance relevance and appeal. We've developed new partnerships, for example, through Minority Business Matters, and created models whereby corporates bring their SME supply chains into our programmes. Hybrid delivery remains central to our engagement strategy, extending our reach beyond London. We also work closely with a network of partners to broaden our SME recruitment efforts and ensure ongoing programme value.
- **Co-delivery partnership with MSDUK** – Our first co-delivery project, delivered through Minority Business Matters in partnership with Minority Supplier Development UK (MSDUK), introduces new operational, governance, and risk management challenges. A partnership agreement signed by both Boards is in place, and a joint steering group comprising senior leaders from both organisations has been established. A dedicated project lead oversees delivery, supported by regular operational and governance meetings. Progress and risks are reviewed regularly with the Greater London Authority (GLA), which funds the initiative, and KPIs have been established to ensure accountability.
- **Ongoing changes in key funding relationship** – In March 2021, Heart of the City entered into a four-year delivery based funding partnership with the City of London Corporation (CoLC), linked to delivery targets under the Corporation's Climate Action Strategy. This arrangement provides income security until March 2025 but introduces risk related to the nature of future funding from CoLC. To manage this, the charity continues to build relationships with senior CoLC stakeholders at both Board and Council levels.
- **Team restructure** – Through 2024/25, Heart of the City undertook a review of team structure, to ensure alignment with the organisation's evolving strategy, funding model, and delivery priorities. Whilst this positions the charity for long-term success and reduced the charity cost base, it also presented short-term risks related to organisational stability, knowledge transfer, and staff morale. To mitigate these risks, a detailed transition plan was implemented, including clear communication with staff, staggered recruitment timelines, induction and training plans for new roles, and regular oversight from the Board and Director. The Reserves Policy was reviewed to ensure sufficient funds were available to manage potential disruptions and support continuity of operations during the transition period.

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- **External attack on IT systems** – The charity remains vigilant regarding cybersecurity risks, including potential data breaches, reputational harm, and disruption to core operations. In June 2023, Heart of the City achieved Cyber Essentials Plus certification and is reaccruited annually. Office functions are supported by cloud-based services such as Office 365, SharePoint, and Salesforce. SharePoint, provided by the City of London Corporation, houses all business-critical documents. System suppliers and CoLC IT teams provide ongoing monitoring and security updates. The charity also undertakes annual reviews of its insurance coverage and 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.

The Board were asked to approve the following paragraph for inclusion in the 2024-25 accounts:

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. Trustees reviewed the code in 2025, and 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 will progress further actions through 2025-26, including on the duty of directors, reviewing the Trustee induction pack and equality, diversity and inclusion. Trustees will keep the Code under regular review.

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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 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 Objectives

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 2024-25 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

Our Activities and Impact in 2024-25

To meet our objectives, Heart of the City delivered a range of programmes and partnerships during the 2024-25 financial year. Our work focused on supporting small and medium-sized enterprises (SMEs) to embed responsible business practices, take climate action, and benefit from opportunities across public and private sector supply chains.

1. Supporting SME Members with Responsible Business

In summer 2023, we launched a new partnership with MSDUK, the UK's leading supplier diversity organisation. This initiative, Minority Business Matters, is funded by the UK Government through the UK Shared Prosperity Fund and supports ethnic minority-owned businesses to become supplier-ready by embedding social value, responsible business, and net zero strategies. These businesses

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access our Foundations for Responsible Business (FfRB) programme as part of their journey toward becoming competitive suppliers in both the public and private sectors.

The FfRB programme supports SMEs across multiple sectors and is open to all SMEs, regardless of business model or location. During the 2024–25 financial year, we supported 166 SMEs, including those starting or ending their membership within the period. We recognise that each business is unique, and we provide flexible access to expert-led content, workshops, surgeries, and networking opportunities tailored for time-poor SME leaders.

This year, members had access to 20 responsible business learning events, including two in-person networking sessions. Our most attended sessions included “Lunch and Learn” events focused on social value and a practical workshop run in collaboration with the Living Wage Foundation.

Our bespoke work with Places for London continued. This programme supports up to 40 tenants to build responsible business practices, measure their carbon footprint, and become accredited Living Wage Employers.

Through our partnerships with MSDUK and Places for London, we engaged more consumer-facing (B2C) SMEs than in previous years, broadening our historic focus on B2B businesses. This shift has encouraged us to deliver more support around community impact and sustainability messaging, key priorities for these businesses.

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.

The Climate for SMEs course came to a close at the end of March 2025. Over the four years, 217 SMEs have engaged with the training programme, and 82 have graduated from the programme meaning they have measured their carbon footprint, set a net zero target and developed a net zero action plan. The projected science-aligned emissions reductions from the 80 graduate SMEs equates to a reduction of over 66,500 tCO₂e when the SMEs collectively achieve net zero. In addition, our Climate Action Toolkit has been used by 1405 SMEs to support them with getting started on their net zero journey.

We also ran a series of online education sessions on climate action topics. Between April 2024 and March 2025, these sessions covered how to get started with your net zero journey, aligning your strategy with the UN Sustainable Development Goals, how the circular economy can revolutionise your business, and an introduction to Environmental Management Systems. By March 2025, 827 SMEs who are based or operating in the Square Mile attended an education session and understand the importance of climate action.

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From January to March 2025, we piloted a new delivery model for our climate course tilted the 'Net Zero Accelerator'. This shorter intensive course focused on helping SMEs at the start of their net zero journey. Over the 10 weeks the participants learnt the importance of working towards net zero and were guided through measuring a carbon footprint, setting a net zero target and developing a net zero action plan. The course was delivered through four in-person workshops, access to online resources and 1:1 support. A total of 21 SMEs took part in the programme, with 17 either based in the Square Mile, operating within it, or supplying the City of London Corporation. So far, 62% (13 of the 21 SMEs) have successfully measured their carbon footprints. Based on these figures, we project science-aligned emissions reductions of 12,555 tCO₂e once all participants reach net zero.

3. Supporting Large Organisations to Drive Responsible Business in Supply Chains

Our work with the City of London Corporation, and the learnings from the Climate for SMEs: 4 Steps to Action course, has enabled us to develop our climate programme offer and we are increasingly delivering bespoke climate programmes for the SME suppliers of larger organisations. These programmes focus on working with SME suppliers on the measurement of their carbon footprints, setting of net zero targets, developing a net zero action plan and, in some cases, submitting their targets to the Science Based Target initiative (SBTi). Alongside this, the programmes support the larger organisations with their own net zero goals.

Over the last year we ran programmes for Canary Wharf Group, a commercial and residential property management and development company, and Pinsent Masons, a law firm. The Canary Wharf Group's SBTi Mentoring Scheme took place from January to the end of August 2024 and had 27 SMEs take part. The Pinsent Masons' Road to Net Zero SME Partnership ran from February to the end of October 2024 and had 16 SMEs take part. Both these programmes included nine sessions which were a mix of workshops, focused on upskilling the SMEs on measuring a carbon footprint and developing a net zero action plan, surgery sessions, a chance for the SMEs to ask any questions they had, and a data sense check, which provided an opportunity for us to go through the SMEs carbon footprint data in detail. The combined projected science-aligned emissions reductions from these two programmes equates to a reduction of over 119,000 tCO₂e when the SMEs collectively achieve net zero.

In January 2025 we launched the first cohort of the QBE Collaborative, Action for Reducing Emissions in Suppliers (CARES) programme, for the insurance company, QBE, and a group of seven of their Tier 1 suppliers, with 41 SMEs taking part. The first cohort is running till June 2025. The second cohort will be taking place from May to November 2025.

Key Challenges in 2024–25

While our programmes have delivered tangible impact, we continue to navigate a number of operational and sector-wide challenges:

- **Income diversification** remains a priority. Although our bespoke supply chain programmes have opened up promising funding routes, we continue to rely on a blend of grant funding, corporate partnerships, and earned income to ensure financial sustainability. We are refining our delivery and pricing models to attract long-term partners.

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- **SME recruitment** and engagement remains affected by the broader economic climate. Many SMEs still face financial constraints and time pressures, limiting their ability to pay for support or fully engage with free programmes. Free access, enabled by grants or corporate sponsorship, remains vital for inclusion.
- **Participant dropouts** from climate programmes are an ongoing challenge, often due to staff turnover, time constraints, or shifting business priorities. We have responded with increased email support, 1:1 coaching, and more flexible delivery. Notably, engagement and completion rates are significantly higher in supply chain programmes, where both accountability and incentives are clearer.
- **Changing interests** mean we have broadened the environmental content within the FfRB programme to include nature and biodiversity, in response to growing interest from SMEs. While carbon reporting is often essential for B2B SMEs and public sector suppliers, consumer-facing SMEs have found broader sustainability messaging more relevant. Nonetheless, we continue to advocate for carbon measurement as a key step in understanding environmental impact.

Future Plans

Our focus over 2025-2026 will be the development of a long-term strategy that enhances both our reach and impact, underpinned by a sustainable and diversified financial model.

At the heart of this strategy will be the creation of a comprehensive impact framework to better measure, understand, and communicate the difference we make. By evidencing our impact more clearly, we will strengthen our ability to engage funders, partners, and policymakers, and support the next phase of our income diversification efforts. While the development of this framework remains a priority, we will delay the implementation of the impact assessment framework to 2026/27 to ensure it is fully aligned with our evolving strategic objectives and supported by robust data and resources. This framework will help us demonstrate how our work contributes to thriving communities, inclusive economic growth, and environmental sustainability by supporting SMEs to embed responsible business practices. We will also review the delivery and outcomes of our Minority Business Matters programme to identify how we can replicate its success and apply its learnings to other areas of our work.

Our partnership with MSDUK has proven the value of deep, co-designed collaborations and opened the door to new models of programme delivery. We will actively explore further partnerships that align with our mission and offer opportunities for innovation, scale, and long-term financial resilience.

Our Foundations for Responsible Business (FfRB) programme will continue to evolve, with a focus on ensuring content remains practical, accessible, and relevant to SMEs navigating an increasingly complex business landscape. We will expand our climate action offering, ensuring SMEs have access to the most up-to-date tools and guidance to reduce emissions and operate more sustainably. Enhancements to our online learning platform (Thinkific) will support greater

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reach and flexibility, and we will explore opportunities to grow our work beyond London, including through regional and national partnerships.

From 2025 to 2027, we have a new funding relationship with the City of London Corporation in which we will be working more closely with the Responsible Procurement team and the Investment Property Group. Over the next two years we will be running iterations of the Net Zero Accelerator programme specifically for the suppliers and tenants of the Corporation. As well as reaching more SME suppliers and tenants of the Corporation, we will be providing ongoing support to businesses who have graduated from our climate action programmes. This will be carried out throughout a series of workshops that will explore progress with implementing net zero plans and support to overcome common barriers facing SMEs. We will be launching a climate programme graduate survey to understand where and how SMEs have made good progress and identify the challenges that are hindering SMEs ability to deliver their net zero action plan and achieve emission reductions. As well as providing on-going support, the new relationship has two strands of work focused on influencing and increasing engagement:

- Running three training workshops with asset managers and contract managers to share the basics of developing a net zero action plan and common challenges facing small businesses. Insights generated from these sessions will be used to inform our wider engagement plan with property managers and landlords.
- Convening a series of roundtables to bring together SMEs and property managers, including private and public landlords and property management companies, to explore barriers to engagement and development of carbon footprints and how they can work more effectively together on their net zero journeys.

Raising our visibility and influence will also be a key priority. We want Heart of the City to be recognised as the go to organisation for responsible business support for SMEs by local and national government, corporates, and SMEs themselves. To achieve this, we will strengthen our communications, build strategic relationships, and develop our advocacy and influencing role, drawing on insights from our programmes such as Minority Business Matters and our bespoke supply chain initiatives.

As we move into our next chapter, Heart of the City is committed to ensuring that more SMEs across the UK are equipped to deliver positive impact for their communities, employees, customers, and the environment now and for the future.

HEART OF THE CITY OF LONDON LIMITED

Financial Review

Income and Expenditure

In 2024–25, the charity's total income was £923,614, an increase from £659,667 in 2023–24. This growth reflects strong engagement from our SME members and continued support from corporate partners who sponsored SMEs to participate in our programmes. The charity's grant from the City of London Corporation (CoLC), totalling £800,000 over four years (2021–22 to 2024–25), was fully recognised in 2021–22. As a result, there was no new grant income from this source during the reporting period. After accounting for income and expenditure, the charity recorded a net deficit of £123,422 for 2024–25, an improvement on the £294,434 deficit reported in the previous year. Total expenditure for the year was £1,047,036, compared with £954,101 in 2023–24. This increase reflects the recruitment of an additional team member to support programme delivery, as well as higher software costs from external suppliers. These expenses were anticipated and remained within the planned budget.

Looking ahead, projected income and expenditure for 2025–26 are expected to remain in line with budget forecasts, supporting the charity's ongoing stability and delivery of its strategic objectives.

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 a total of £272,750 of unrestricted reserves at 31 March 2025. This is above our minimum target level of six months of operating costs (£240,000). However, in view of the current economic environment and our focus on income diversification, the trustees reviewed our reserves after the financial year end and agreed to invest any surplus unrestricted 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 assessed the organisation's financial position and its ability to continue operating for at least 12 months from the date of approval of these financial statements. This assessment has considered the charity's current reserves, year-to-date financial performance,

HEART OF THE CITY OF LONDON LIMITED

committed income for the forthcoming period, expected expenditure, and the wider funding environment.

Recognising the organisational resilience demonstrated over the past year and the ongoing support received from key partners, notwithstanding headwinds and a challenging funding landscape, the Trustees are satisfied that the charity has adequate resources to continue for the foreseeable future and for at least 12 months from the date of signing these financial statements.

Accordingly, the financial statements have been prepared on a going concern basis.

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.

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

HEART OF THE CITY OF LONDON LIMITED

- 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

Adopted and signed for and on behalf of the board.

A handwritten signature in blue ink, reading 'Sushil', with a horizontal line underneath.

Sushil Saluja
(Chair of Trustees)

Date: 29 January 2026

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 2025 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 2025 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

HEART OF THE CITY OF LONDON LIMITED

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 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 19 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.

HEART OF THE CITY OF LONDON LIMITED

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

Auditor's responsibilities for the audit of the financial statements

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

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.

HEART OF THE CITY OF LONDON LIMITED

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 income, project 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, 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

Date:

HEART OF THE CITY OF LONDON LIMITED

Statement of Financial Activities for the year ended 31 March 2025

	Notes	Unrestricted Fund £	Restricted Fund £	Total 2024-25 £	Total 2023-24 £
Income and Endowments from:					
Donations and Legacies		42,500	-	42,500	-
Charitable Activities		222,085	590,024	812,109	483,918
Interest and Other Income		13,534	-	13,534	11,181
Contributions in-kind		55,471	-	55,471	164,568
Total Income	4	333,590	590,024	923,614	659,667
Expenditure on:					
Charitable Activities		457,012	590,024	1,047,036	954,101
Total Expenditure	5	457,012	590,024	1,047,036	954,101
(Expenditure) and net movement in funds		(123,422)	-	(123,422)	(294,434)
Reconciliation of funds					
Total Funds brought forward		396,172	-	396,172	690,606
Total Funds carried forward		272,750	-	272,750	396,172

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 2025

Notes

2025

2024

£

£

Current Assets

Debtors

7

161,587

415,130

Cash

240,596

165,163

402,183

580,293

Liabilities

Creditors: Amounts falling due within one year

8

129,433

184,121

Total Assets less Current Liabilities

272,750

396,172

The funds of the Charity:

Unrestricted income funds

272,750

396,172

Restricted Funds

-

-

Total Charity funds

9

272,750

396,172

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 5 December 2025.



Sushil Saluja

(Chair of Trustees)

Date: 29 January 2026

HEART OF THE CITY OF LONDON LIMITED

Statement of Cash Flows at 31 March 2025

		2024-25 £	2023-24 £
Cash flows from operating activities:			
Net cash provided/ (used in) operating activities:	Table 1	61,899	(132,718)
Cash flows from investing activities:			
Interest and Other Income		<u>13,534</u>	<u>11,181</u>
Change in cash and equivalents in the reporting period		75,433	(121,537)
Cash and cash equivalents at the beginning of the reporting period		<u>165,163</u>	<u>286,700</u>
Cash and cash equivalents at the end of the reporting period	Table 2	<u>240,596</u>	<u>165,163</u>

HEART OF THE CITY OF LONDON LIMITED

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

	2024-25 £	2023-24 £
Net (expenditure) for the reporting period (as per the statement of financial activities)	(123,422)	(294,434)
Adjustments for:		
Interest and Other Income	(13,534)	(11,181)
(Decrease)/increase in creditors	(54,689)	157,618
Decrease in debtors	253,544	15,279
Net cash provided by/ (used in) by operating activities	61,899	(132,718)

Table 2: Analysis of cash and cash equivalents

	2024-25 £	2023-24 £
Deposits (less than 3 months)	240,596	165,163
Total cash and cash equivalents	240,596	165,163

Table 3: Analysis of changes in cash

	At 1 April 2024 £	Cashflow £	At 31 March 2025 £
Cash	165,163	75,433	240,596

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 as the end of the current four-year 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 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 bono 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 £	2024-25 £	2023-24 £
Income				
Donations	42,500	-	42,500	-
Membership Fees	26,583	-	26,583	35,857
Grant Income: UKSPF - Minority Business Matters Project	40,659	590,024	630,683	388,373
Project Income – Dragon Awards	-	-	-	15,000
Project income	154,843	-	154,843	44,688
Interest and Other Income	13,534	-	13,534	11,181
Contributions in-kind	55,471	-	55,471	164,568
Total Income	333,590	590,024	923,614	659,667

In 2024-25 restricted income was £590,024 (2023-24: £358,275) and the comparative amount of unrestricted income was £333,590 (2023-24: £301,392).

Grants/Donations

Grant income of £630,383 was received in 2024-25 (2023-24: £388,373); project income of £154,843 has been received from bespoke programmes for both the Foundations for Responsible Business and Climate for SME's programmes; £0 for Dragon Awards (2023-24: £44,688 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 £55,471 (2023-24: £164,568) 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 decreased contribution in-kind for 2024-25 is due to the team requiring less pro-bono legal support in this financial year.

Interest and Other Income

Interest and other investment income of £13,534 is comprised of income earned on cash and short-term investments that are held within the City of London Corporation's Banking Section.

HEART OF THE CITY OF LONDON LIMITED

5. Expenditure

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

	Activities Undertaken Directly	Support Costs	2025 Total	Activities Undertaken Directly	Support Costs	2024 Total
	2025 £	2025 £	£	2024 £	2024 £	£
Charitable activities						
Heart of the City membership programme	1,005,800	41,236	1,047,036	799,661	154,440	954,101
Total Expenditure	1,005,800	41,236	1,047,036	799,661	154,440	954,101

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

Charitable activities support costs

Expenditure on charitable activities £31,661 (2023-24: £31,419) 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 £9,575 (2023-24: £123,021) 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 £5,725 (2023-24: £5,450) has been paid for 2024-25 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 2024-25 (2023-24: £0).

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Analysis of support costs

Support costs	Heart of the City Programmes
Accommodation	£19,607
IT and Marketing	£5,730
Legal	£10,735
Other	£4,714
Speakers and Ambassadors	£450
Total	£41,236

6. Staff Numbers and Costs and Overview of Other Expenditure

	2024-25	2023-24
Salaries	£426,190	£415,447
Pension costs	£88,089	£87,250
National Insurance costs	£47,290	£44,157
Redundancy	-	£3,419
Total staffing costs	£561,569	£550,273

The average number of staff seconded to Heart of the City across the year was 8 (2023-24: 9). This staff number was made up of 12 different individuals working for the charity throughout 2024-25 (2023-24: 12). For 2024-25 there was 1 member of staff with salary above £60,000 (2023-24: 1). Key management personnel include the charity's Director and Head of Programmes roles and their combined total compensation for 2024-25 was £118,722 (2023-24: £176,472).

Staffing costs of £561,569 (salaries, pension and national insurance) represents 57% of Heart of the City's annual costs (2023-24: £550,273 / 70%). Other expenditure of £42,997 during 2024-25 (2023-24: £239,259) included MSDUK costs for the Minority Business Matters project of £276,543 (2023-24: £154,044); marketing services of £35,443 (2023-24: £19,454), £16,335 on systems and computing (2023-24: £28,723), £957 on training and recruitment advertising (2023-24: £3,220), no cost was charged relating to office administration and IT support costs (2023-24: £1,938) and £24,913 on other miscellaneous costs such as subsistence, travel, insurance, equipment and materials (2023-24: £31,877).

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7. Debtors

Grants Receivable of £160,955 is from the UKSPF (2023/24 £200,000 from CoLC and £126,123 from UKSPF).

	2025 £	2024 £
Other Debtors	632	89,007
Grants Receivable	160,955	326,123
Total	161,587	415,130

8. Creditors

Receipts in Advance of £62,344 relates to 2025-26 SME membership fees and income from bespoke programmes (2023-24: £86,322). Trade Creditors includes payments owing related to the provision of the Minority Business Matters Project in 2024/25 of £66,614 and £475 being owed to HMRC (2023-24: £72,525; a discretionary payment towards a member of staff: £3,419 and £21,786 owing to HMRC).

	2025 £	2024 £
Trade Creditors	67,089	97,764
Accruals	-	36
Receipts in Advance	62,344	86,322
Total	129,433	184,122

9. Movement of Funds during the year to 31st March 2025

	Balance at 1 April 2024 £	Income £	Expenditure £	Balance at 31 March 2025 £	Balance at 31 March 2024 £
Unrestricted Funds					
General	396,172	333,590	(457,012)	272,750	396,172
Restricted Funds					
UKSPF	-	590,024	(590,024)	-	-
Total	396,172	923,614	(1,047,036)	272,750	396,172

HEART OF THE CITY OF LONDON LIMITED

Movement of Funds during the year to 31st March 2024

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

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.

10. Analysis of Net Assets between funds: 31st March 2025

	Current Assets £	Current Liabilities £	Balance at 31 March 2025 £
Unrestricted Funds			
General	402,183	(129,433)	272,750
Restricted Funds			
City Bridge Trust	-	-	-
TheCityTogether	-	-	-
UKSPF	-	-	-
Total	402,183	(129,433)	272,750

HEART OF THE CITY OF LONDON LIMITED

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

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 2024-25, no costs were charged to the charity for office admin and IT support services (2023-24: £1,600 for office admin and £4,400 for IT support). As of 31 March 2025, Heart of the City owed £nil to the City of London Corporation in respect of these charges (2023-24: £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.

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 accounts. As of 31 March 2025, the final year of this grant, Heart of the City is not due any income from the City of London Corporation (2023-24: £200,000).

In addition, Heart of the City received contributions in-kind from the Corporation for accommodation of £19,607 (2023-24: £21,249) and audit fee of £5,725 (2023-24: £5,450).