

C40 Cities Climate Leadership UK Annual report and Accounts

(C40 Cities UK)

(A company limited by guarantee)

Report and Financial Statements for the year ended 31 December 2023

Charity number 1173124

Company number 10401717

**C40 Cities Climate Leadership
UK**

Report and Financial Statements
For the year ended 31 December 2023

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C40 Cities Climate Leadership UK

Report and Financial Statements

For the year ended 31 December 2023

Charity name	C40 Cities Climate Leadership UK
Principal and registered office	44 Featherstone Street, London, EC1Y 8RN
Charity number	1173124
Company number	10401717

Board of Directors

The trustees who served during the period were:

Antha Williams (Chair)
Pelle Lind Bournonville
Jemma Read
Becky Bates (resigned 18 December 2023)
Krishna Patel (appointed 14 March 2024)

Company Secretary	Juliette Carter
Chief Executive	Mark Watts
Auditor	Haysmactintyre LLP, 10 Queen Street Place, London, EC4R 1AG
Solicitor	Bates Wells Brathwaite, 10 Queen Street Place London, EC4R 1BE
Banker	NatWest Bank, 94 Moorgate, London, EC2M 6UR

Report of the Directors for the year ended 31 December 2023

The Trustees (who are the directors) of C40 Cities Climate Leadership UK ("C40 Cities UK"), are pleased to present their report and financial statements for the charity for the year ended 31 December 2023.

The accounts (financial statements) have been prepared in accordance with the *Statement of Recommended Practice (second edition): Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)* effective 1 January 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2019.

The charity is registered with the Charity Commission under registration number 10401717.

C40 Cities UK contributes towards the global strategy of its sole member, C40 Cities Climate Leadership Group Inc ("C40 Cities Inc"), therefore, throughout the Aims and Objectives and Achievement and Performance sections of this report, reference is made to the activities of C40 Cities Inc during this financial year.

Our Aims and Objectives

Purposes and Aims

The purposes and aims of C40 Cities UK, as set out in the objects contained in the company's Memorandum and Articles of Association, are:

The **advancement** of environmental protection and conservation of the natural environment, particularly by promoting the reduction of greenhouse gases (including carbon dioxide, methane and any other gases that may be identified from time to time as having a global warming potential);

- To promote sustainable development for the benefit of the public by the promotion of sustainable means of achieving economic growth and regeneration;
- To advance the education of the public in subjects relating to global warming, climate change, sustainable development and the protection, enhancement and rehabilitation of the environment and to promote study and research in such subjects provided that the useful results of such study are disseminated to the public at large; and
- Such other objects, as shall be exclusively charitable by the law of England and Wales as the Trustees shall decide.

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

Public benefit

The achievement of the above aims drives our business planning. The beneficiaries of the charity are all global citizens. The Achievements and Performance section below contains more information on how our work has contributed to the reduction of global greenhouse gas emissions over the last year.

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit when exercising any powers or duties to which the guidance is relevant.

Mission

C40 Cities UK operates as part of the C40 Cities Network. The C40 Cities Network is headed by C40 Cities Inc (the sole member of C40 Cities UK).

The Trustees of C40 Cities UK believe that operating as part of the broader C40 network and adopting the strategy set by C40 is the most effective way of maximising the charitable impact of C40 Cities UK. This approach allows C40 Cities UK to work in partnership with other organisations in the C40 network around the world and with other partner organisations in order to achieve its charitable objectives (which are global in nature). The Trustees of C40 Cities UK continue to consider that operating as part of this network is in the charity's best interests, having contributed to and considered C40's 2021-2024 Business Plan which C40 Cities UK has worked towards during the last financial year.

Our mission is to help the world avoid climate breakdown. Our cities are working to halve their collective emissions by 2030, while improving equity, building resilience, and creating the conditions for everyone, everywhere to thrive. The change required can be delivered by supporting mayors to work alongside a broad coalition of representatives from labour, business, the youth climate movement, and civil society to go further and faster than ever before, by gaining support for climate action and ensuring a just transition to net zero.

C40 sectoral and thematic networks bring together city officials from across our seven regions, who have a common purpose of addressing the climate emergency. These exchanges of knowledge and sharing of best practice help cities respond and accelerate, avoid mistakes and delays, and implement fairer and more impactful climate actions to meet Paris Agreement goals.

C40 also supports groups of cities, within one country or region, to implement high-impact policies and projects through regionally tailored programmes. These programmes offer mayoral engagement, technical support, peer-to-peer engagement, and capacity building. Our regional delivery structure better enables C40 to leverage relationships between peer cities and technical and financial partners regionally, as well as globally, and to be more responsive to local context, priorities, and needs. Regional engagement is also supported by the leadership of our Vice Chairs on the Steering Committee, who unite and amplify regional mayoral voices.

A distinguishing feature of C40 is that it operates on performance-based requirements, not membership fees. C40 member cities earn their membership through action. C40's Leadership Standards set the minimum requirements for all member cities and ensure the integrity of C40 as a network of climate leaders. Consequently, by being part of the network C40 Cities UK is able to hold itself to a set of external standards and be held to account for its work towards its charitable purposes by its regulators, the public and by the C40 network.

The C40 Leadership Standards are reflected in the Business Plan 2021 - 2024 which establishes five requirements for each city in the C40 Cities Network, which the trustees of

C40 Cities UK decided to adopt and agree to in 2021. C40 Cities UK's contribution to that business plan is set out below ('Achievements and Performance').

Achievements and Performance

In 2023, C40 focused its work strategically around two main missions, to position itself strategically and deliver more effectively in the evolving geopolitical and economic context:

- Help get the world off fossil fuels to halt climate breakdown, in particular by halving fossil fuel use in cities by 2030.
- Address the impacts and injustices of climate breakdown, focusing on increasing equity and climate resilience in cities.

In a move to champion inclusive global leadership in climate action, in 2023, then C40 Chair Mayor Sadiq Khan requested that C40 implement a new Co-Chair model which requires that one mayor each from the Global North and South sits at the core of C40's leadership. As the elected leaders of C40, the Co-Chairs Mayor of London Sadiq Khan and Mayor of Freetown Yvonne Aki-Sawyer play a key role in raising the bar on climate ambition around the world and advocating for the role of cities in addressing the climate crisis. C40 cities and mayors are committed to using an inclusive, science-based and collaborative approach to cut their fair share of emissions in half by 2030, help the world limit global heating to 1.5°C, and build healthy, equitable and resilient communities.

C40 uses the collective voice and actions of C40's mayors, together with our partners, to help the world avoid climate breakdown. Together we use global and regional platforms like COP, Climate Weeks and the United Nations General Assembly to inspire other cities, influence international and national institutions and shift markets with mayoral leadership.

In 2023, our mayors came together united in favour of stronger climate justice by pushing back against continued fossil fuel expansion and calling for subnational integration into Nationally Determined Contributions and increased finance for city climate action, including for urban loss and damage. This was supported by the Joint Program, funded by Bloomberg Philanthropies and delivered by C40, GCOM and other partners.

The UK Government-funded Urban Climate Action Programme's Climate Action Implementation component (UCAP CAI) is collaborating with 15 cities in Africa, Latin America, and Southeast Asia to progress two priority high impact actions from their climate action plans and integrate climate goals and considerations into city governance, planning and decision-making structures. In-depth technical analysis and institutional capacity building is driving decision-making and outcomes in all cities, with city-to-city knowledge sharing driving ambition for accelerated and inclusive climate action. Both UCAP CAI and the C40 Cities Finance Facility are working with Bogotá to deliver their climate action plan. On policy and mainstreaming UCAP CAI supports Bogotá's adoption of its Climate Action Public Policy, Pedestrian Public Policy, as well as its Pedestrian Mobility Strategy and 2050 Roadmap. Besides policy and mainstreaming support on active mobility, the Cities Finance Facility supported the newly inaugurated public bike-sharing system, that offers an accessible and affordable transportation option for all residents, which has catered for more than 400,000 trips in its first six months of operation. Its inclusivity of access is globally innovative for a bike-sharing system. Of the 3,300 bikes, 150 include child seats and 150 are accessible to wheelchair users. There is a 20% discount for lower-income residents.

Throughout 2023, C40 Cities UK contributed towards the progress of the C40 network towards the five goals for each city set out in the **C40 Cities Network 2021 – 2024 Business Plan:**

1. Plan: *Cities **Plan** to keep the world on track to meet climate targets.*

C40 has been working on the Cities Climate Transition Framework that updates the Climate Action Planning Framework to respond to progress and experience since it was published, to current tensions and challenges that cities are facing, as well as to the recommendations of the Integrity Matters for Cities, States and Regions report. In 2023 eight more C40 cities developed climate action plans, bringing the total number of cities with climate action plans to 823. These set out evidence-based net zero targets and ambitious interim targets, adaptation and resilience goals and a clear action plan for implementation. Together, the emissions reduction from these eight cities would represent 172m tCO₂e, which is more emissions than some countries.

In early 2022, Mumbai became the first Indian city to launch a climate action plan (CAP) aligned with the Paris Climate Agreement and the C40 CAP framework. The Mumbai CAP proposes a dedicated Climate Action Department working under the municipality to coordinate its implementation and climate budget, and to mainstream carbon neutrality strategies. The CAP formulation process involved stakeholders from all levels of the government administration, experts, and residents of Mumbai.

At COP 28, Dubai announced its plan to reduce emissions by 50% by 2030 (compared to 2018-levels) and reach net zero by 2050, demonstrating a dramatic uptake in mitigation ambition from the previous plan and making it the first major city in the Middle East aligned with the goals of the Paris Agreement. The new plan includes ambitious sectoral goals, such as setting up the world's largest single-site solar park and achieving 75% of vehicles as hybrid or electric powered by 2030.

In June 2023, Thiru. MK Stalin, Hon' Chief Minister of Tamil Nadu officially launched the Chennai climate action plan thus culminating a two-year engagement process by C40. C40 led over 250 stakeholder discussions and engagements with multiple government and non-government stakeholders to collaboratively prepare Chennai's first climate action plan. It sets a vision of "Resilient and Proactive Chennai towards achieving Carbon Neutrality and Water Balance by 2050" with city level emission reduction targets of 1% carbon by 2030, 40% carbon emission reduction by 2040 (compared to 2018-19) and achieving net zero by 2050.

In December 2023, Warsaw launched its Green City and Climate Action Plan. The plan utilised a collaborative approach to combine the methods of EBRD's Green City Action Plan and C40's Climate Action Planning Framework. The city's emissions scenario work led to engagement with the nationalised oil and gas company, and agreement to collaboratively develop a zero-carbon energy roadmap for Warsaw. The plan strengthens the city's emission reduction target to 60% by 2030 (compared to 2018 levels) and net zero by 2050, and outlines the city's plans to tackle urban biodiversity loss, prevent local flooding and reduce soil degradation in the city.

All 17 North American C40 cities currently have a Climate Action Plan in place. Between 2015 and 2023 per capita emissions were reduced by 29%.

2. Deliver: *Cities **Deliver** the impactful and equitable urban initiatives set out in their climate action plan.*

C40 supports cities to deliver on their climate action plan, focusing on rapid, transformative climate action across key sectors.

Air Quality

In 2023, Breathe Cities was launched with a first global cohort of 11 cities (Accra, Brussels, Jakarta, Johannesburg, London, Milan, Nairobi, Paris, Rio de Janeiro, Sofia, and Warsaw).

Breathe Cities is a global partnership programme aiming to break down barriers to action and ensure communities around the world have access to clean air. Through data, empowered advocacy, technical assistance for city governments and citywide stakeholders, Breathe Cities will support cities to implement priority policy measures to cut emissions, resulting in improved air quality and health outcomes.

Adaptation

Through a diverse range of initiatives, our cities are improving safety, reducing their environmental impact, and improving the quality of life for their residents.

Montréal faces increased short and intense stormwater events that its ageing combined sewer system cannot handle. To reduce and collect the rainwater runoff entering the combined sewer system, it is installing green infrastructure on public land, including rainwater curb extensions and parks.

Johannesburg, Mbombela, Cape Town and Drakenstein with C40 Cities Finance Facility aid, are launching river management projects to mitigate flood risks, inspired by Durban's successful Transformative Riverine Management Programme. Durban's initiative, which is set to generate US \$1.6 billion in societal benefits and earned the 2023 Eco-Municipality award for adaptation efforts, serves as a model and mentor for these cities to expand flood prevention projects.

Transport

In 2023, C40 Cities and The Climate Pledge – co-founded by Amazon and Global Optimism - launched Laneshift, a partnership to tackle carbon emissions through zero-emission freight by reimagining medium and heavy-duty delivery vehicles and the routes they travel. In partnership with cities, Laneshift will accelerate the development of EV infrastructure and the deployment of EV trucks across cities in India (Bengaluru, Delhi, Mumbai, and Pune) and Latin America (Bogotá and Medellín, Colombia; Curitiba and Rio de Janeiro, Brazil; Quito, Ecuador; and Mexico City, Mexico), reducing emissions, cleaning up the air, generating green jobs, and working towards a just transition for workers.

The C40 Cities Finance Facility (CFF) is partnering with the Brihanmumbai Electric Supply and Transport (BEST) to support Mumbai in installing solar PV panels on 27 bus depots and their surrounding areas. BEST aims to electrify 100% of its bus fleet by 2027. This project will support and complement Mumbai's procurement of e-buses, ensuring that green charging infrastructure is in place in all the city's depots once the new fleets arrive, and is expected to leverage approximately US \$35 million. Seattle, supported by C40's Zero Emission Freight Programme, published a new study and recommendations about creating green loading zones and facilitating the uptake of e-cargo bike deliveries in the city. As a result of the study, the city has developed legislation to introduce a formal commercial cargo bike program and allow cargo bikes to legally access designated loading zones.

Energy

Using all levers at their disposal C40 cities are leading the transition towards decentralised, decarbonised and digitalised energy systems that leave no one behind. Using their own assets and consumption to facilitate the deployment of local clean energy systems, while also supporting citizens and businesses to adopt renewable energy solutions, cities are moving fast towards the clean energy systems of the future.

Supported by UK government funding, cities in Africa are supporting the adoption of solar energy solutions to drive grid decarbonisation and increased energy efficiency. Lagos is targeting residential buildings and small and medium enterprises, with building retrofits and distributed solar electricity solutions planned to reduce its grid- and generator based energy consumption, which account for over 50% of GHG emissions in the city.

Decarbonisation of Buildings and Reduction of Embodied Carbon

Cities take action to equitably and inclusively decarbonise the buildings in their city - across embodied and operational emissions - by using their own assets to demonstrate leadership, ensuring new buildings are low carbon and resilient, motivating the private sector to reduce energy use and move away from fossil fuels supporting also the creation of good green local jobs.

Food

Food systems received an unprecedented level of global attention at COP28, giving new momentum to C40 and C40 cities' existing leadership in the sector. Alongside partners in the Transforming Urban-Rural Food Systems Consortium, at COP28 C40 launched a strategy to help cities to deliver a more healthy and sustainable food system.

Barcelona launched a City Agreement for Collaboration on food systems, as a way to encourage coordination between the private and public sectors in food systems transformation. As of 2023, the agreement had already gained 67 members from across the local food system.

Waste

In 2023, C40 launched a waste focused technical assistance programme to reduce methane emissions in Africa (Dakar, Ekurhuleni, Durban and Freetown) and two cities in India (Mumbai and Ahmedabad).

Lowering Organic Waste Methane (LOW-Methane) is a new initiative led by C40 alongside global partners with the ambition to reduce 1 million tonnes of waste sector methane emissions well before 2030 and unlock more than US \$10 billion in public and private investment.

Green Ports and Shipping

The creation of the first-ever green shipping corridor across the Pacific is taking shape. In 2023, a voluntary partnership of leading maritime goods movement stakeholders, including the Ports of Los Angeles, Long Beach and Shanghai, some of the largest carriers in the world, and key leading cargo owners unveiled a Green Shipping Corridor Implementation Plan Outline to accelerate emissions reductions on one of the world's busiest container shipping routes across the Pacific Ocean.

Urban Planning and Design

Urban planning is not a separate emissions sector, but a cross-cutting enabler of emissions reductions and increased resilience. It is a powerful way for local governments to mainstream their climate priorities and transpose them into legally binding policies. C40 supported more cities in 2023 to revise their urban planning policies. Austin's Equitable Transit- Oriented Development Policy Plan, adopted in March 2023, places an increased focus on social equity. It includes a comprehensive toolkit of policies, ranging from direct support for business associations to density bonusing in exchange for affordable housing nearby to transit systems.

3. Mainstream: Cities *Mainstream* their climate targets into municipal governance.

The Urban Climate Action Programme's Climate Action Implementation component (UCAP CAI) supports climate mainstreaming by working with cities to map out vertical and horizontal climate governance systems, identify gaps and opportunities within their internal operations, prioritise work areas, and then define strategies to build the capacity and capability needed to embed and achieve targets. For example, in 2023, the CAI programme supported all seven cities in Africa to define Mainstreaming Strategies, which will be formalised and launched in the coming year. As a body to own its mainstreaming strategy and oversee overall climate action plan implementation, Dar es Salaam

established and launched its Climate Change Steering Committee, bringing together sector leads from across municipalities and the city council. Key responsibilities will be to integrate climate goals into strategic plans, and to ensure budget allocations reflect climate action implementation.

Following deep engagement by cities with public pension schemes, in 2023 funds in Vancouver, New York City and London - as well as non-C40 cities, Glasgow and Bristol - publicly announced plans to be net zero by 2050 or sooner. This has resulted in London's interim 2030 target, which was to reduce emissions intensity by 75% from a 2019 baseline, already being met, and a green investment target is being planned for 2024.

Inclusive Climate Action

Cities are demonstrating the transformative impact they can have in ensuring inclusive and equitable climate action at the local and global level.

The C40 Inclusive Climate Action Programme is critical in supporting cities to deliver local climate policies and initiatives that drive mitigation and adaptation, co-designed in an inclusive way, addressing structural inequalities and delivering equitable impacts, while advocating for global and national change that allows cities to go further in achieving a just ecological transition. In 2023 C40's Inclusive Climate Action Programme continued to grow including through new work on urban loss and damage and expanding existing programmatic support to cities on local inclusive climate action delivery, peer-to-peer learning and mayoral leadership.

4. Innovate: *Cities **innovate** to address climate risk and reduce emissions beyond their direct control.*

In the global effort to reduce emissions and climate risk, cities are motivating change and breakthrough solutions by many different actors, using their formal and informal powers to address emissions beyond their direct control and foster new approaches to climate action.

Innovating data-driven climate action on consumption with indicators

Based on learning from a working group of ten C40 cities examining their approaches to planning, measurement and barriers to action on urban consumption emissions over several months, C40 worked with a team of consumption-accounting experts and London and New York City to develop new guidance for using indicators, addressing common issues with inventory and data compatibility. In April 2023, New York City initiated a programme to reduce carbon emissions from food purchases across city agencies by 33% by 2030, at the same time calling for action from private sector leaders to also use their procurement power to reduce food-related emissions by 25% by 2030.

5. Lead: Cities and mayors **Lead** the way with trailblazing climate actions

The scope and urgency of the climate crisis demands transformative action; cities have a critical role to play by leading and demonstrating action. C40 supports mayors and cities to be climate leaders in a number of different ways from driving cities to commit to ambitious targets, to providing evidence and guidance to take action.

C40 Accelerators are statements of political leadership based on the toughest science-based targets and allied to concrete delivery milestones. They outline ambitious targets across sectors to help implement inclusive, resilient, and necessary solutions. Signatory cities collaborate to achieve their target commitments by sharing their successes, as well as the barriers faced along the way, including through annual reporting.

C40 Green and Healthy Streets Accelerator

50% of signatory cities have put restrictions in place (e.g. charges or bans) on high polluting vehicles that cover a significant part of the city. 84% of C40 signatory cities of the Clean Air Accelerator are reallocating road space from cars to active and sustainable modes on a permanent basis or are working actively to achieve that goal.

On 31 August 2023, London's Ultra Low Emission Zone (ULEZ) was expanded, bringing cleaner air to five million more Londoners. This action sets London as a world leader, and a city on track to ensure a major area of the city is zero carbon by 2030.

C40 Net Zero Carbon Buildings Accelerator

78% of signatory cities have implemented retrofit programmes for existing, privately owned buildings, that put the city on a pathway to net zero carbon by 2050.

C40 Urban Nature Accelerator

51% of signatory cities have already achieved one or both of the pathways including implementing measures to turn 30–40% of the total built up surface area into green or permeable spaces and/or ensuring 70% of their population have access to a fit-for-purpose green or blue space within 15 minutes.

C40 Divesting From Fossil Fuels, Investing In A Sustainable Future Accelerator

73% of cities reporting have divested from or have no municipal investments in fossil fuel companies, equating to over US \$84 billion of municipal assets from cities in the network being fossil free.

C40 Water Safe Cities Accelerator

17 C40 cities signed up to the new accelerator – committing to adapting urban water management to a changing climate- specifically to protect the most vulnerable from extreme flooding, droughts; and with a mandatory target to prioritise early warning systems.

Our Other Accelerators Are:

- C40 Renewable Energy Accelerator
- C40 Clean Construction Accelerator
- C40 Good Food Cities Accelerator
- C40 Towards Zero Waste Accelerator and C40 Pathway Toward Zero Waste
- C40 Clean Air Accelerator

New York City also signed up to the C40 Good Food Cities Accelerator to increase access to balanced and nutritious food to city residents and halve food waste, joining Tokyo and 14 other cities around the world that are delivering on the same science-based targets.

Governance

C40 is governed by a Steering Committee of mayors, elected by their peers to represent the geographical diversity of the network. The current Co-Chairs of C40 are Mayor of London, Sadiq Khan and Mayor of Freetown, Yvonne Aki-Sawyerr. As the elected leaders of the C40 organisation, the Co-Chairs play a key role in raising the bar on climate ambition around the world and advocating for the role of cities in addressing the climate crisis. The C40 Board of Directors provides operational oversight to C40. The President of the Board, appointed by the longest serving Co-Chair of C40, is Michael R. Bloomberg, former Mayor of New York City. C40 Cities Climate Leadership Group, Inc. is a Delaware incorporated, non-stock, non-profit corporation registered in the United States and is C40's main operating entity. C40 also has registered offices in the UK, Belgium, Denmark, South Africa, India and China.

The Governance structure of C40 UK is described on Page 12. Key management personnel are the Management Team listed on Page 13.

Financial Review

Fund balance, income, and expenditure

During 2023, C40 Cities UK received income of £13.0m (2022: £11.1m) and incurred £11.8m of expenses (2022: £10.0m). C40 Cities UK's income in 2023 was predominantly in the form of a grant from C40 Inc to deliver activities in the C40 Network business plan.

As a result, C40 Cities UK generated a net surplus of £1.2m in 2023, which increased the £1.9m brought forward reserves to £3.1m of reserves by the year-end. This comprises unrestricted reserves of £2.5m, and restricted reserves of £0.5m. This is in line with the board-approved reserves policy.

Reserves and Investment Policy

Unrestricted reserves are available to be applied, at the discretion of the Trustees, to any of C40 Cities UK's charitable purposes. Restricted reserves are to be applied to the specific project intended by the donor.

Trustees seek to retain a prudent level of reserves from unrestricted income.

Trustees base their reserves policy on the identified needs to:

- Ensure sufficient working capital for the following months, particularly to provide against a failure to receive funds for the income in budget in a timely fashion.
- Mitigate the risk of unforeseen expenditure, in particular the need to embrace new initiatives and opportunities when they arise, and which are not in budget.
- Support innovative programmes where they require a period of development and testing to prove their case.
- Maintain adequate funds to ensure an orderly winding down of discontinued operations.

C40 Cities UK is funded by restricted and unrestricted grants from C40 Cities Inc. C40 Cities UK requests and receives its grant income from C40 Cities Inc in sterling, and the majority of its expenditure is in sterling, so C40 Cities UK does not need to hold reserves against adverse movement in exchange rates.

C40 Cities Inc has committed to supporting C40 Cities UK in its statutory and contractual obligations to a maximum amount of £1 million for a period of two years from 22 May 2024 to permit an orderly wind-down.

Given the commitment it has received from C40 Cities Inc, the Trustees of C40 Cities UK require one month of total organisational expenditure to be kept as an unrestricted reserve. Based on the 2024 budget, C40 Cities UK seeks to hold unrestricted reserves in the region of £1.0m. As at 31 December 2023, C40 Cities UK holds unrestricted reserves of £2.5m, and a cash balance of £2.5m.

Trustees believe that the reserves policy has been complied with as unrestricted reserves exceed the minimum requirement.

Cash held on deposit

C40 Cities UK holds an interest-bearing bank account, and grant funds received from C40 Cities Inc are held within that account.

Structure, Governance and Management

Governing Document

The organisation is a charitable company limited by guarantee, incorporated on 29 September 2016 and registered as a charity on 22 May 2017. The company is governed under its Memorandum and Articles of Association. In the event of the company being wound up, members are required to contribute an amount not exceeding £1.

Member

The sole Member of C40 Cities UK is C40 Cities Climate Leadership Group Inc. ("C40 Cities Inc"), a non-stock, non-profit corporation registered in the state of Delaware, that is exempt from federal income tax under section 501(c)(3) of the US Internal Revenue Code. C40 Cities Inc is at the centre of a network of over 90 of the world's megacities committed to addressing climate change. The mayors of C40 Cities Inc's member cities elect representatives to a Steering Committee, which sets the strategic direction of C40 Cities Inc and elects C40 Cities Inc's Chair from its members. The Mayor of London, Sadiq Khan, is currently the Chair of C40 Cities Inc's Steering Committee. C40 Cities Inc also has a Board of Directors, made up of independent individuals representing various C40 partners, which oversees its governance and management. Michael R. Bloomberg, founder of Bloomberg LP & Bloomberg Philanthropies, and former Mayor of New York City is the President of the C40 Cities Inc Board of Directors.

Charity Activities

The charity's income is comprised of donations from C40 Cities Inc. C40 Cities Inc is funded by unrestricted grants from its three strategic funders, Bloomberg Philanthropies, Children's Investment Fund Foundation (CIFF) and Realdania, and by restricted grants both from its strategic funders and a variety of other funders.

C40 UK does not fund raise from the general public and therefore, no complaints have been received in relation to fund raising.

Recruitment and Appointment of the Trustees

The Directors of the company are also charity Trustees for the purposes of charity law. Under the charity's Articles of Association, Trustees are appointed by the sole member, C40 Cities Inc. Trustees serve until the fourth Annual Retirement Meeting after their appointment, when they can be reappointed for an indefinite number of terms – however, we would expect Trustees to serve for no more than two terms, and we will plan succession on that basis.

During the period, all Trustees gave their time on a voluntary basis, and they did not receive any benefits from the charity.

Trustee Induction and Training

A Trustee induction is carried out for all new Trustees, covering the purpose of the charity, a review of the charity's governing documents, policies and procedures, and the roles and responsibilities of Trustees, including the Trustees' duty to act at all times in the interests of the charity and the Trustees' duty to avoid conflicts of interest. The Trustee induction includes meetings with senior staff. Trustee training is provided, the next one is scheduled for the first quarter of 2025.

Trustees are experienced in their fields, and were selected based on their varied skills sets, including climate change, fundraising, international operations, finance, and charity governance. We are pleased to highlight the gender diversity of the Board, being 75% female leadership.

The Trustees are aware of and endeavour to comply with the Charity Governance Code. In particular, there is close coordination between the Trustees and senior management to

ensure the effective management of the charity. The Trustees act with integrity and care, complying with a Code of Conduct and conflict of interest policy. Trustees manage risk through C40 Cities UK's risk register that is regularly reviewed by the Trustees.

Trustee Meetings

Trustees met formally two times during the year, at which meetings they reviewed the Risk Register, approved the updated Risk Management Policy; approved the charity's 2022 Annual Report and Accounts for the year ended 31 December 2022; approved the 2024 budget, and received reports from the Executive Director on the C40's global progress against its goals. The Board was also notified of the appointment of the new auditors Haysmactintyre by the Finance & Audit Committee, Trustees receive updates on the charity's activities and delivery and those of the wider network between meetings as appropriate. Trustees also reviewed the management accounts against budget at each meeting.

Trustees and staff interact regularly between meetings: specifically, the Executive Director speaks with the Chair on a frequent basis; and the Managing Director of Corporate Services and Deputy Executive Director speak with Board members in advance of each Board meeting.

Delegated Management

Executive management is delegated to the Executive Director, who is also the Executive Director of C40 Cities Inc, and to a global Management Team which includes employees of both C40 Cities UK and C40 Cities Inc. The members of the Management Team during the period were:

Executive Director	Mark Watts
Deputy Executive Director	Kevin Austin
Managing Director of Corporate Services	Juliette Carter
Managing Director of Climate Planning, Finance and Partnerships	Andrea Fernandez
Managing Director of Regions and Mayoral Engagement Jan 2024)	Hastings Chikoko (resigned
Managing Director of Regions and Mayoral Engagement Feb 2024)	Shruti Narayan (appointed
Managing Director of Climate Action Implementation Sep 2023)	Aditi Maheshwari (appointed
Managing Director of Communications and Events 2023)	Lamia Senousi (resigned Jul
Managing Director, C40 Centre for Urban Climate Policy and Economy	David Miller
Managing Director of Political Strategy & Leadership Support	Anna Beech
Managing Director of Climate Solutions and Networks	Cassie Sutherland
Managing Director of Inclusion & Global Learning	Caterina Sarfatti

Mark Watts, Kevin Austin, Juliette Carter, Andrea Fernandez, Anna Beech and Cassie Sutherland were employed by C40 Cities UK during the period. Shruti Narayan, Aditi Maheshwari and David Miller were employed directly or indirectly by C40 Cities Inc.

Principal risks and uncertainties

C40 Cities Inc maintains a global Risk Register in relation to the C40 Cities Network, as well as a C40 Cities UK specific risk register. Each risk and its mitigating action are owned by a member of the Management Team, who discuss and review the risks as required at quarterly meetings, and the register is reviewed formally on a monthly basis. The mitigating actions are put into place to reduce the likelihood or impact of any detrimental events.

The Trustees consider the key risk facing C40 Cities UK is the high concentration of funding received from C40 Cities Inc. To mitigate this risk, a Cooperation Agreement between C40

Cities Inc and C40 Cities UK is in place to record their ongoing relationship to strengthen their joint efforts in the service of environmental issues and to promote joint working between the parties.

The Trustees have also considered the entity's ability to continue as a going concern though cash flow forecasts up to June 2025. These forecasts have been prepared on the basis of moderate growth in the current funding arrangements. Further details are set out in note 1. The Trustees of C40 Cities UK, having considered its current funding arrangements, believe it is appropriate to prepare the accounts on a going concern basis.

The Trustees/Directors' report, which incorporates the strategic report was approved by the Board of Trustees on 12 June 2024 and signed on its behalf by:



Antha Williams
Chair

Statement of Trustees' responsibilities in respect of the Trustees' Annual Report and the financial statements

The trustees (who are also the directors of C40 Cities Climate Leadership UK for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law they are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the income and expenditure for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Observe the methods and principles in the Charities SORP;
- assess the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

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

Independent auditor's report to the members of C40 Cities Climate Leadership UK

Opinion

We have audited the financial statements of C40 Cities Climate Leadership UK for the year ended 31 December 2023 which comprise Statement of Financial Activities, statement of cashflows, balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2023 and of the charitable company's net movement in funds, including the income and expenditure, for the period 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 charity 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 trustees' 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. The other information comprises the information included in the Report and Financial statements other than the financial statements and 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a

material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report and Financial statements (which includes the Directors' report prepared for the purposes of company law) for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Director's report included within the Annual Report and Financial statements have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company; or
- the charitable company 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' report.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 15, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to company law and applicable employment regulations and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as Companies Act 2006 and the Charities Act 2011, and consider other factors such as payroll tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

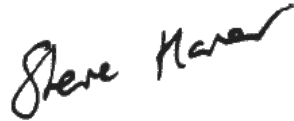
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing accounting journal entries, in particular those journal entries which exhibited the characteristics we had identified as possible indicators of irregularities; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

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.



Steven Harper (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditor
Date: 30 July 2024

10 Queen Street Place
London
EC4R 1AG

C40 Cities Climate Leadership UK
Statement of Financial Activities (including Income and Expenditure
Account) for the year ended
31 December 2023

	Note s	2023 Unrestrict ed £'000	2023 Restrict ed £'000	2023 Total £'000	2022 Total £'000
Income					
Donations		9,275	3,620	12,895	11,128
Other income		103	-	103	4
Total Income	3	9,378	3,620	12,998	11,132
Expenditure on:					
Raising funds		5	-	5	45
Charitable activities	5	8,192	3,635	11,827	9,988
Total Expenditure		8,197	3,635	11,832	10,033
Net income/(expenditure) for the year		1,181	(15)	1,166	1,099
Reconciliation of funds					
Total funds brought forward		1,334	599	1,933	834
Total funds carried forward		2,515	584	3,099	1,933

The accompanying notes are an integral part of these financial statements

**C40 Cities Climate Leadership UK
Balance Sheet at 31 December 2023**

		2023	2022
		£'000	£'000
Fixed Assets			
Tangible Assets	7	-	-
Non Current Asset		215	
		215	-
Current Assets			
Debtors	8	1,939	208
Cash at Bank and in Hand		2,554	2,290
		4,493	2,498
Current Liabilities			
Creditors	9	(1,609)	(565)
		(1,609)	(565)
Net Current Assets		2,884	1,933
Total Net Assets		3,099	1,933
Represented by:			
Funds and reserves			
Restricted funds	11	584	599
Unrestricted funds	11	2,515	1,334
Total funds		3,099	1,933

The accompanying notes are an integral part of these financial statements.

These financial statements were approved and authorised for issue by the Board of Trustees on 12 June 2024 and were signed on its behalf by:

Anthe Williams

C40 Cities Climate Leadership UK
Statement of cash flows for the year ended 31 December 2023

	2023	2022
	£'000	£'000
Cash flow from operating activities:		
Net income / (expenditure) for the year	1,167	1,099
Adjustment for:		
Depreciation and amortisation charge	-	-
Long Term Rent Deposit	(216)	-
Decrease / (Increase) in debtors	(1,731)	1,002
Increase / (Decrease) in creditors	<u>1,044</u>	<u>100</u>
Net cash absorbed by operating activities	<u>(903)</u>	<u>1,102</u>
Change in cash and cash equivalents in the year	264	2,201
Cash and cash equivalents at the beginning of the year	<u>2,290</u>	<u>89</u>
Cash and cash equivalents at end of the year	<u>2,554</u>	<u>2,290</u>

The accompanying notes are an integral part of these financial statements.

C40 Cities Climate Leadership UK
Notes forming part of the financial statements for the year ended 31 December 2023

1) Basis of accounting and going concern

The financial statements have been prepared on the basis of historical cost in accordance with applicable accounting standards in the United Kingdom, the Companies Act 2006 and the Charities Act 2011. These financial statements are prepared in accordance with the Accounting and Reporting by Charities Statement of Recommended Practice (SORP 2015) under FRS 102 accounting framework.

The trustees have assessed whether the use of the going concern basis is appropriate. C40 Cities UK's funding for its expenditure is provided by grant income from C40 Cities Inc. C40 Cities UK and C40 Cities Inc work to a joint operational plan in order to fulfil a common set of objectives. C40 Cities UK therefore has a reasonable expectation that funding will continue to flow from C40 Cities Inc to enable these objectives to be achieved. There is no competition between the two entities and others in the group for sources of finance. C40 Cities Inc is considered to be a going concern on the basis that adequate funding agreements with Strategic Funders are either in place or have been pledged to cover the current Business Plan period, being 2021-2024.

The financial statements have been prepared on a going concern basis following consideration by the Trustees as detailed here.

The financial model of the charity is such that it only enters into activities to the extent it is confident that sufficient funding has been secured in excess of the fixed costs of running the charity. The charity has entered into a lease agreement for the rental of its offices and the future lease payments are disclosed in note 14 to the accounts. The fixed costs of operating are detailed in note 5 to the accounts.

The Trustees have reviewed the cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that the charity will have sufficient funds to meet its liabilities as they fall due for that period. In the event that future funding is not available to allow C40 Cities UK to continue with its activities, C40 Inc has undertaken to provide unconditional and irrevocable financial support, either in the form of a grant or another form of support, to the value of GBP 1m to permit an orderly wind-down. The cash flow forecast used to assess the going concern basis of preparation does not rely on these arrangements.

Consequently, the Trustees are confident that the charity will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements. No material un-certainty has been identified by the trustees.

A summary of the principal accounting policies, which have been applied consistently, is set out below.

C40 Cities Climate Leadership UK
Notes forming part of the financial statements for the year ended 31 December 2023

2) Accounting policies

a) Income

Income is included in the Statement of Financial Activities when the charity is entitled to the income, the income is probable, and the amount can be quantified with reasonable accuracy. Grant income is recognised when it becomes due in accordance with the grant agreements.

b) Expenditure

Expenditure is accounted for on an accruals basis.

Expenditure on fundraising includes the salaries of the fundraising staff and the direct costs associated with generating income. No support costs or overheads are allocated to expenditure on fund raising since the amounts would be immaterial.

c) Fund accounting

Unrestricted funds are used at the discretion of the trustees for the furtherance of the general objects of the charity. Designated funds are unrestricted funds which have been set aside by the trustees for specific purposes or projects. Restricted funds are those funds that have restrictions imposed by donors and can only be used for those purposes. They are not available for any other work than that specified by the donor.

d) Accounting estimates

An accounting estimate was used in the valuation of income received in kind, relating to the office space and associated services provided to the charity by Bloomberg L.P. The estimation technique used was based on the costs per square foot derived from local rental costs. The amount recognised reflects the value of the gift to the charity.

e) Tangible fixed assets

Tangible fixed assets, comprising computers and other equipment, are stated at cost less accumulated depreciation. Assets are depreciated on a straight-line basis over an estimated useful economic life of three years. Assets less than £1,500 are not capitalised.

f) Taxation

C40 Cities UK is a registered charity and is therefore not liable for corporation tax derived from its charitable activities as it falls within the exemptions available to registered charities. VAT, which is irrecoverable, is included within expenditure.

g) Pension

C40 Cities UK makes payments into a defined contribution pension scheme. The pension costs are allocated to activities and between restricted/unrestricted funds according to where the related staff costs are allocated.

C40 Cities Climate Leadership UK
Notes forming part of the financial statements for the year ended 31 December 2023

3) Income from donations

The charity's donations total is comprised solely of donations from C40 Inc and Bloomberg LP.

	Unrestricted 2023 £'000	Restricted 2023 £'000	Total 2023 £'000
Grant income	8,972	3,620	12,592
Other Income	103		103
In Kind Income	304		304
Total income from donations	9,379	3,620	12,999

Further information about the grant income from C40 Inc can be found in the Related Parties note 13.

4) Donated goods and services

C40 Cities UK receives in-kind income in the form of office space and associated services from Bloomberg LP. The accounting policy in relation to this is in note 2 d) Accounting estimates. See also related party disclosure in note 13.

5) Expenditure

	Direct Costs 2023 £'000	Support Costs 2023 £'000	Total 2023 £'000	Direct Costs 2022 £'000	Support Costs 2022 £'000	Total 2022 £'000
LS1 - Plan	148	70	218	174	60	234
LS2 - Deliver	6,221	1,409	7,630	5048	1231	6,279
LS3 - Mainstream	1,369	502	1,871	1064	439	1,503
LS4 - Innovate	101	132	233	216	116	332
LS5 - Lead	1,148	727	1,875	1,004	636	1,640
	8,987	2,840	11,827	7,506	2,482	9,988

C40 Cities Climate Leadership UK		
Notes forming part of the financial statements for the year ended 31 December 2023		
5) Expenditure (Continued)		
Total Expenses include:	2023	2022
	£'000	£'000
Staff Costs	10,519	8,434
Governance costs:	73	70
Other expenditure	1,235	1,484
Total	11,827	9,988
Support costs above include:		
	2023	2022
	£'000	£'000
Current year Audit costs	27	39
Grant Audit	15	-
2022 Audit overrun	14	-
Legal Costs	17	31
Total	73	70

6) Staff costs, trustee remuneration and expenses and costs of key management personnel

a) Staff costs comprise:

Staff costs during the year were as follows:	2023	2022
	£'000	£'000
Wages and salaries	9,022	7,295
Social security costs	1,010	825
Pension costs	405	309
Other costs	82	5
	10,519	8,434

The average number of employees during the year was as follows:

	2023	2022
	No.	No.
The average number of employees during the year was as follows:	147	123

Staff costs for the year include total termination benefits of £NIL (2022: £20,228). This comprises ex-gratia payments and payments in lieu of notice.

Employee benefits, excluding non-contractual payments, employer pension costs and employer's NI, of higher paid staff within the following scales were:

	2023	2022
£60,000 - £69,999	29	10
£70,000 - £79,999	16	7
£80,000 - £89,999	5	1
£90,000 - £99,999	2	2
£100,000 - £109,999	-	2
£110,000 - £119,999	-	2
£120,000 - £129,999	-	-
£130,000 - £139,999	2	-
£140,000 - £149,999	-	-
£150,000 - £159,999	-	-
£160,000 - £169,999	1	-
£170,000 - £179,999	-	1
£180,000 - £189,999	-	1
£190,000 - £199,000	-	-
£200,000 - £210,000	1	1

As outlined in note 13, C40 Cities UK and C40 Inc are aligned with their charitable aims, and staff work in the pursuit of these aims. The disclosure in this note relates to staff who are employed by C40 Cities UK.

None of the charity's trustees were paid or received any other benefits during the year, nor were any expenses incurred or reimbursed.

The total employee benefits received by key management personnel during the year were £965,635.

C40 Cities Climate Leadership UK
Notes forming part of the financial statements for the year ended 31 December 2023

7) Debtors

	2023	2022
	£'000	£'000
Prepayments	198	31
Due from other C40 entities	1,728	161
Sundry debtors	13	16
Total debtors	1,939	208

8) Creditors

	2023	2022
	£'000	£'000
Trade Creditors	38	46
Accruals	273	222
Deferred Income	995	-
PAYE and NIC	303	279
	1,609	547

C40 Cities Climate Leadership UK
Notes forming part of the financial statements for the year ended 31 December 2023

9) Restricted funds

Restricted funds are those funds that must be used in accordance with donors' wishes.

C40 Inc These funds are an allocation of amounts granted to C40 Inc for work carried out by C40 Cities UK, and are restricted to the terms of the original grant agreements between C40 Inc and its funders.

10) Restricted funds	Balance at 1 January 2023 £'000	Income 2023 £'000	Expenditure 2023 £'000	Balance at 31 December 2023 £'000
C40 Inc	599	3,620	(3,635)	584
Total Restricted Funds	599	3,620	(3,635)	584

	Balance at 1 January 2022 £'000	Income 2022 £'000	Expenditure 2022 £'000	Balance at 31 December 2022 £'000
C40 Inc	110	3,035	(2,546)	599
Total Restricted Funds	110	3,035	(2,546)	599

C40 Cities Climate Leadership UK
Notes forming part of the financial statements for the year ended 31 December 2023

11) Analysis of net assets between funds

	Unrestricted funds 2023 £'000	Restricted funds 2023 £'000	Total 2023 £'000	Total 2022 £'000
Fund balances at 31 December 2021 are represented by:				
Tangible Fixed Assets	-	-	-	-
Non Current Assets	-	215	215	-
Current assets	3,029	1,464	4,493	2,498
Creditors: amounts falling due within one year	(514)	(1,095)	(1,609)	(565)
Total net assets	2,515	584	3,099	1,933

12) Liability of member

The liability of the member is limited to £1.

13) Related Parties

The sole member of C40 Cities Climate Leadership UK (C40 Cities UK) is C40 Cities Climate Leadership Group Inc (C40 Inc), a non-stock, non-profit corporation registered in the state of Delaware (registered address: 120 Park Avenue, 23rd Floor, New York, NY 10017, USA). C40 Cities UK and C40 Inc have common global goals which all staff work towards. A memorandum of understanding outlines how the two entities work together towards these shared charitable aims.

One of the trustees of C40 Cities UK is also a Director of C40 Inc. During the year, C40 Cities UK received grant income from C40 Inc totalling £12,998,733, being £9,275,466 unrestricted grant income and £3,619,998 restricted grant income. Of the total grant income, £12,162,205 was received in cash and £429,498 was received as non-cash income arising from expenditure on Bank of America credit cards by C40 Cities UK staff. The grant income received from C40 Inc represents 97% of C40 Cities UK's total income.

As identified in note 3, C40 Cities UK received income in kind in relation to office space and associated services from January to October 2023 from Bloomberg LP. Bloomberg Philanthropies is a donor of C40 Inc.

Other grant income relates to the grant from Bloomberg Philanthropies to cover the rental of the new premises from November 2023 to October 2025. Bloomberg Philanthropies has committed to supporting the payment of the rent with additional funding in 2024 and 2025.

There were no other related party transactions.

14) Lease Commitments

C40 UK with support from Bloomberg Philanthropies as stated above has entered a lease in respect of the rent on its premises from November 2023 to October 2026. The payments are as follows:

	2023 £'000	2022 £'000
Within one year	942	-
Later than one year but less than 5 years	4,016	-
	4,958	-