

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
FOR
UK100 CITIES NETWORK LIMITED**

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For The Year Ended 31 December 2021**

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UK100 CITIES NETWORK LIMITED

COMPANY INFORMATION

For The Year Ended 31 December 2021

DIRECTORS:

P J Billington
M Carroll
I E R Gornall
R Madlani
G J Newey
J Rogers
E L Pinchbeck

REGISTERED OFFICE:

UK100, Sustainable Workspaces
Riverside Building, County Hall, 3rd
Westminster Bridge Road
London
SE1 7PB

REGISTERED NUMBER:

10515243 (England and Wales)

REPORT OF THE DIRECTORS
For The Year Ended 31 December 2021

The directors present their report with the financial statements of the company for the year ended 31 December 2021.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2021 to the date of this report.

P J Billington
M Carroll
I E R Gornall
R Madlani
G J Newey
J Rogers

Other changes in directors holding office are as follows:

H W Lloyd - resigned 9 December 2021

E L Pinchbeck was appointed as a director after 31 December 2021 but prior to the date of this report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors 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 company and of the surplus or deficit of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Caldwell Penn Limited, Statutory Auditor, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

J Rogers - Director

12 December 2022

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UK100 CITIES NETWORK LIMITED

Opinion

We have audited the financial statements of UK100 Cities Network Limited (the 'company') for the year ended 31 December 2021 which comprise the Statement of Income and Retained Earnings, 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 Section 1A '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 company's affairs as at 31 December 2021 and of its surplus 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the 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 the provisions available for small entities, in the circumstances set out in note nine to the financial statements, 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 directors' 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 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 directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Auditors' 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 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 the audit:

- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
UK100 CITIES NETWORK LIMITED**

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors 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 directors determine 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 directors are responsible for assessing the 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UK100 CITIES NETWORK LIMITED

Auditors' 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance
- the entities own assessment of the risks that irregularities may occur
- results of our enquiries of management about their policies and procedures in place relating to identifying and assessing the risks of irregularities; identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and the internal controls established to mitigate risks of fraud or non-compliance with law.

As a result of these procedures, we identified that the most significant laws and regulations are those directly relevant to the reporting framework and preparation of the financial statements (FRS 102, Companies Act 2006 and UK tax legislation). We considered the extent to which non-compliance with this legislation might have a material effect on the financial statements.

Other significant laws and regulations which may have an effect on the financial statements are those relating to GDPR, health and safety and those relating to fraud, bribery and corruption. Consequences of non-compliance with these laws and regulations could have a material impact on the amounts or disclosures within the financial statements, for example through fines or litigation. Our audit procedures in respect of non-compliance with these laws and regulations is limited to enquiry of Directors and management.

As part of planning our audit, we determined materiality and assessed the risks of material misstatement in the financial statements, including how fraud may occur. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the timing of recognition of income and the override of controls by management.

In common with all audits under ISAs (UK), we also performed specific procedures to respond to the risk of management override, including:

- identifying and testing the appropriateness of journal entries and other adjustments and considering whether these are indicative of potential bias;
- assessing whether the judgements made in making accounting estimates are indicative of a potential bias;
- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations;
- reading minutes of meetings of those charged with governance;
- reviewing correspondence with HMRC;
- reviewing legal expense accounts to identify any potential costs relating to specific transactions which may indicate a breach of laws and regulations;
- evaluating management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls); and
- reviewing large or unusual bank transactions to ensure that these were all legitimate transactions undertaken in the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and reminded them of the need for professional scepticism.

As a result of performing the above, no key audit matters were identified that related to irregularities, including fraud.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 Auditors' Report.

Other matters

The financial statements of UK100 Cities Network Limited for the year ending 31 December 2020 were unaudited.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
UK100 CITIES NETWORK LIMITED**

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Katharine Halsall (Senior Statutory Auditor)
for and on behalf of Caldwell Penn Limited, Statutory Auditor
7a Abbey Business Park
Monks Walk
Farnham
Surrey
GU9 8HT

12 December 2022

STATEMENT OF INCOME AND RETAINED EARNINGS

For The Year Ended 31 December 2021

	2021	2020
Notes	£	as restated £
TURNOVER	1,504,021	901,825
Cost of sales	<u>594,828</u>	<u>314,755</u>
GROSS SURPLUS	909,193	587,070
Administrative expenses	<u>721,640</u>	<u>327,863</u>
OPERATING SURPLUS	187,553	259,207
Interest receivable and similar income	<u>29</u>	<u>-</u>
SURPLUS BEFORE TAXATION	187,582	259,207
Tax on surplus	<u>-</u>	<u>-</u>
SURPLUS FOR THE FINANCIAL YEAR	187,582	259,207
Retained earnings at beginning of year	259,848	641
RETAINED EARNINGS AT END OF YEAR	<u><u>447,430</u></u>	<u><u>259,848</u></u>

BALANCE SHEET

31 December 2021

	Notes	2021 £	£	2020 as restated £	£
FIXED ASSETS					
Tangible assets	6		8,346		7,230
CURRENT ASSETS					
Debtors	7	57,246		146,097	
Cash at bank and in hand		<u>1,084,868</u>		<u>576,773</u>	
		1,142,114		722,870	
CREDITORS					
Amounts falling due within one year	8	<u>703,030</u>		<u>470,252</u>	
NET CURRENT ASSETS			<u>439,084</u>		<u>252,618</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>447,430</u>		<u>259,848</u>
RESERVES					
Income and expenditure account			<u>447,430</u>		<u>259,848</u>
			<u>447,430</u>		<u>259,848</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on 12 December 2022 and were signed on its behalf by:

G J Newey - Director

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December 2021

1. **STATUTORY INFORMATION**

UK100 Cities Network Limited is a private company, limited by guarantee, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

The financial statements have been prepared in accordance with the provisions of Section 1A "Smaller Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared on a going concern basis, which the directors consider to be appropriate.

Turnover

Turnover represents the amounts receivable from grant funding, sponsorship & membership income excluding value added tax, during the year.

Turnover from grant funding is recognised when the resources are received or receivable if no performance-related conditions are imposed. If performance-related conditions are imposed, income is only recognised when these conditions are met.

Turnover from sponsorship & membership income is recognised as the right to consideration arises and adjustments are made for accrued and deferred income.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation less accumulated depreciation. Cost includes costs directly attributable to making the asset capable of operating as intended by management.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer equipment - 33.33% on cost

Taxation

The company is limited by guarantee and has been set up as a not-for-profit network of local government leaders which seeks to implement plans for the transition to clean energy. Under CTA2010 the company is not liable to corporation tax.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 14 (2020 - 6).

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 December 2021

4. **PRIOR YEAR ADJUSTMENT**

The company has restated its accounts for the year ending 31 December 2020 as a result of a review into grant income recognition which highlighted an issue in relation to one grant, and a review of the VAT liability which highlighted an issue with the treatment of irrecoverable VAT in the financial statements.

	Effect on current year financial statements £	Effect of prior year restatement £	Effect on beginning of earliest prior period presented £
Accrued income	-	34,607	-
Social security & other taxes	-	19,089	-
Turnover	-	34,607	-
Expenditure	-	19,089	-
Retained earnings b/fwd	<u>15,518</u>	<u>-</u>	<u>-</u>

5. **GRANT INCOME**

During the year ended 31 December 2021, the company received grant income totalling £1,346,943 (2020 - £711,034) from a number of sources in respect of tackling climate energy and taking action towards Net Zero. This amount included £456,000 (2020 - £nil) which was recognised in respect of the IKEA foundation.

6. **TANGIBLE FIXED ASSETS**

	Computer equipment £
COST	
At 1 January 2021	10,791
Additions	<u>6,057</u>
At 31 December 2021	<u>16,848</u>
DEPRECIATION	
At 1 January 2021	3,561
Charge for year	<u>4,941</u>
At 31 December 2021	<u>8,502</u>
NET BOOK VALUE	
At 31 December 2021	<u>8,346</u>
At 31 December 2020	<u>7,230</u>

7. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021	2020 as restated
	£	£
Trade debtors	4,202	111,490
Prepayments and accrued income	<u>53,044</u>	<u>34,607</u>
	<u>57,246</u>	<u>146,097</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

For The Year Ended 31 December 2021

8. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021	2020
	£	as restated £
Trade creditors	18,575	19,035
Social security and other taxes	1,967	31,003
Other creditors	-	12,775
Accruals and deferred income	<u>682,488</u>	<u>407,439</u>
	<u>703,030</u>	<u>470,252</u>

9. **FRC ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES**

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.