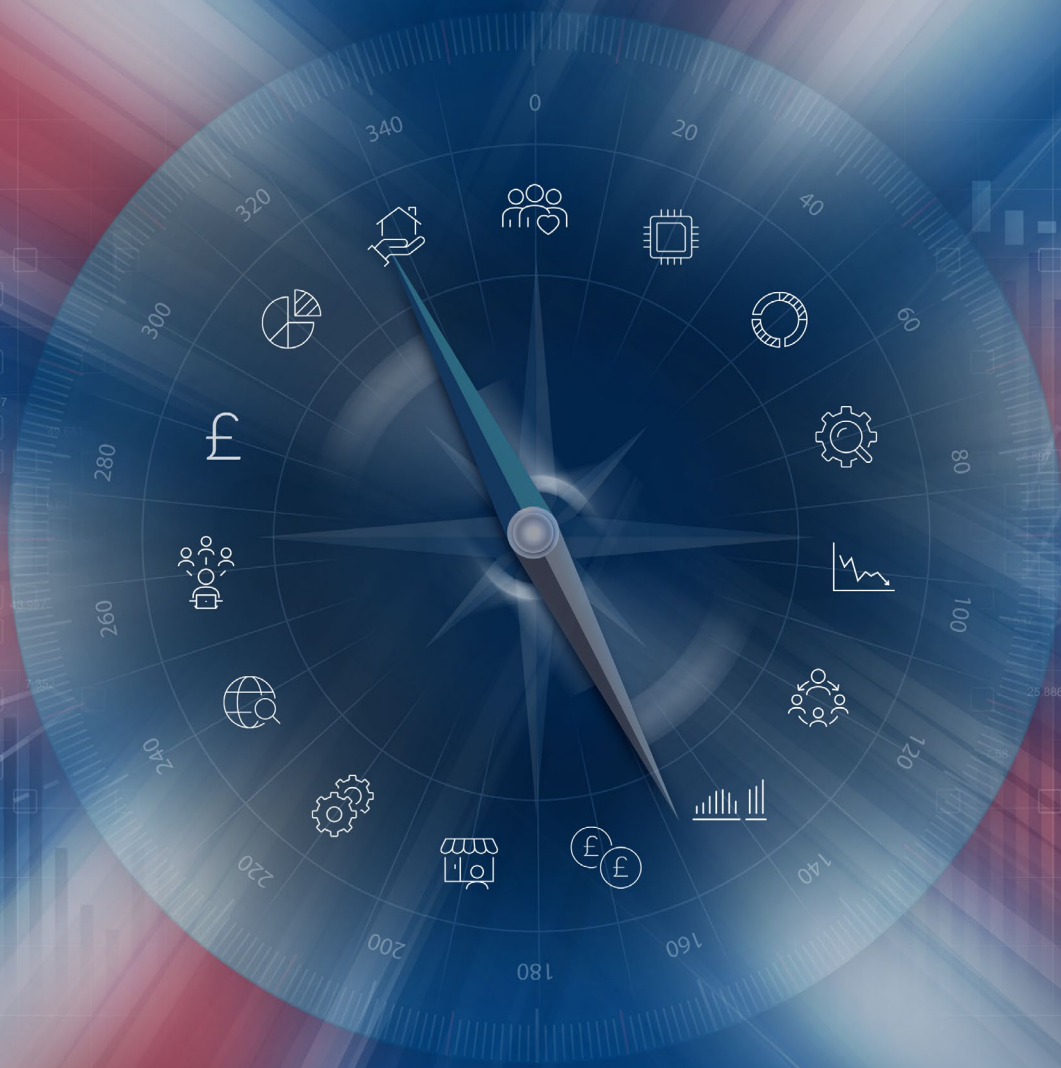


NAVIGATING UNPRECEDENTED CHANGE, SUPPORTING COMMUNITIES

ANNUAL REPORT AND ACCOUNTS 2019-20



ABOUT THECITYUK

TheCityUK is the industry-led body representing UK-based financial and related professional services. In our 10th anniversary year, we continue to champion and support the success of the ecosystem, and thereby our members, promoting policies in the UK, across Europe and internationally that drive competitiveness, support job creation and ensure long-term economic growth. The industry contributes over 10% of the UK's total economic output and employs 2.3 million people, with two thirds of these jobs outside London. It is the largest tax payer, the biggest exporting industry, generates a trade surplus almost equivalent to all other net exporting industries combined. It also makes a real difference to people in their daily lives, helping them save for the future, buy a home, invest in a business and protect and manage risk.

THECITYUK IN NUMBERS

“TheCityUK — a collection of the Square Mile’s titans”

Lombard, Financial Times, 8 June 2020

6 STRATEGIC PRIORITIES:

- FUTURE UK-EU RELATIONSHIP
- INTERNATIONAL TRADE AND INVESTMENT
- LONG TERM COMPETITIVENESS
- TRUST AND REPUTATION
- UK REGIONS AND NATIONS
- SUSTAINABILITY



3,538 BROADCAST, PRINT AND ONLINE NEWS PIECES ACROSS **70** COUNTRIES




18 PUBLICATIONS PRODUCED



39.2BN TOTAL MEDIA REACH

3,073 REPORT DOWNLOADS




18 THECITYUK CITY CHAIR-LED ROUNDTABLES AND WEBINARS ACROSS THE COUNTRY



31 THECITYUK DELEGATIONS/VISITS ACROSS THE WORLD



THECITYUK WEBSITE VIEWS UP **20%** YEAR ON YEAR



217 ONLINE AND FACE-TO-FACE MEETINGS AND EVENTS WITH **4,540** ATTENDEES



LINKEDIN FOLLOWERS UP **66%** YEAR ON YEAR TO OVER **5,500** FOLLOWERS, WITH OVER **205K** IMPRESSIONS



TWITTER FOLLOWERS UP **9%** YEAR ON YEAR TO OVER **9,500** FOLLOWERS, WITH OUR TWEETS GAINING OVER **1.5MILLION** DIRECT IMPRESSIONS

This is inclusive of the time period July 2019 - July 2020

THECITYUK PUBLICATIONS



This is inclusive of the time period April 2019 - July 2020

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BOARD CHAIRMAN'S STATEMENT

For a number of years, the financial and related professional services industry has faced the twin challenges of demonstrating our value to the British public after a damaging loss of trust and having to navigate through a period of transformation. The external environment was already being reshaped by a range of factors including the impact of trade tensions between the US and China, Brexit and rapid technological development. Covid-19 has made that environment all the more complex and challenging.

The immediate priority during the pandemic has been the health and safety of people and societies. The economic crisis that has unfolded simultaneously has also been unprecedented in recent times. Alongside the stimulus and support packages provided by Governments around the world, financial and related professional services have been at the forefront of helping businesses and individuals through the crisis, and building an economic and financial bridge to recovery and future growth. As well as direct financial relief to customers, we have played an important role as employers in caring for our people, and in supporting recovery efforts in the communities we serve.

TheCityUK has stepped up when it has been needed. Since our formation at a time of crisis ten years ago, we have played an important role in bringing together the UK financial and related professional services ecosystem – most recently acting as an interface with the Government and regulators in discussions about how best to support the national and international recovery. Much attention has been focused on how to support the recapitalisation of the hundreds of thousands of SMEs that play such a vital role in driving economic growth. TheCityUK has played a leading role in raising awareness of the urgency of this issue, as well as the role that our industry can play in supporting national efforts to 'build back better' and ensure a sustainable recovery. I am grateful to members and stakeholders for their active engagement in this work – in particular to EY for their support of the recapitalisation project and Sir Adrian Montague, Chairman of TheCityUK Leadership Council, for leading it.

While there has been an urgent need to respond to the challenges of Covid-19, there is also work to do to strengthen the voice of our representative bodies. Following a strategic review, TheCityUK Board agreed its organisational priorities at the end of last year. The review received input from many members and stakeholders, and was broadly focused on three core areas: our governance and purpose; our priorities and agenda; and our operating model. Our overall aim is to ensure the organisation is in the best possible shape to continue to represent members' priorities, focusing on the issues where our cross-sectoral remit can have the greatest impact and making the most of the opportunities ahead.

Good progress is being made across all areas of the review. We have refined our purpose to provide greater clarity, strengthened the governance of our groups and committees to ensure greater Board oversight and accountability, and rationalised them to enable greater focus and impact. Our Advisory Council has now been renamed our Leadership Council to reflect better its seniority and purpose, and our Board members are now more actively engaged across the full breadth of our work.

A key outcome of the review was to strengthen collaboration with partners across the industry, and in particular the City of London Corporation, where our agendas align but our efforts have not always been optimised. Again, early progress has been encouraging. We now have strong collaboration across our senior groups, working together on key projects and streamlining member engagement. For example, we collaborated on the HM Treasury-led Financial Services Skills Taskforce, and as a result, we continue to work closely together to establish the Financial Services Skills Commission. There is more still to do, but I believe that we will be able to forge an even stronger working relationship in the future.

While we are set on a course that is aligned with the priorities of our members and the wider industry, I want to ensure that we continue to listen to your views and take them into account. The agility, adaptability and responsiveness that our industry has demonstrated during Covid-19 must be a feature of how we all operate in the future, especially as we continue to navigate uncertainty. Like our members, TheCityUK has had to deal with change and adapt its own operating model to the circumstances. Although the role of TheCityUK is to bring people together and it has not been possible to do so physically over recent months, I am certain that we, like you, will retain elements of what has worked well from this new way of working for years to come.

I would like to end by thanking our members and stakeholders for their ongoing support and engagement, and the other directors for their advice and guidance. I must single out Sir Adrian Montague for his considerable help. The work of our senior groups and our City Chairs remain critical to embedding and delivering our agenda, so I am therefore grateful to them all, as well of course to Miles and the team at TheCityUK for their hard work, dedication and commitment, especially in dealing so ably with so much change.

The challenges that we have faced this year have been unprecedented, and we should be proud of how our industry has responded. There are many uncertainties that still lie ahead, including the nature of the global economic recovery and the final arrangements for the UK's departure from the EU. As we continue to navigate them and contribute to the economies and societies we serve, I have every confidence that TheCityUK will help to ensure that our voice is heard and our industry can succeed.

Mark Tucker

Board Chairman, TheCityUK



CHIEF EXECUTIVE OFFICER'S STATEMENT

It is hard to believe that a decade has passed since the foundation of TheCityUK. The challenge put to industry by the then Chancellor, Alistair Darling and Mayor of London, Boris Johnson, in the wake of the global financial crisis was clear: how best to create a voice for the unique and world-leading ecosystem of financial and related professional services across the whole of the UK. The events of the last 10 years have shown how important that question was. They have also underlined the visionary and rigorous work led by Sir Win Bischoff and Bob Wigley in designing the organisation.

I am very proud of what the organisation has achieved over the last decade and enthused about the opportunities and challenges that lie ahead.

The mission to promote the UK-based financial and related professional services ecosystem and the role it plays as an enabler of prosperity and job creation at home and abroad remains at the heart of what we continue to do today. As the world once again finds itself in the midst of an economic crisis – but this time one borne out of an unprecedented global pandemic – our industry has played a central role in supporting people, communities and businesses through the initial shock. It will also be central to driving efforts to build back better. It is inevitable that TheCityUK and its members will be centrally involved in work to promote and deliver that over the coming weeks, months and years.

The renewed strategy and purpose we began to implement at the beginning of 2020 is very aligned to this endeavour. This came about following an in-depth programme of consultation with members and key stakeholders, led by McKinsey. I am grateful to all those involved for their time and insights. We continue to be guided by the priorities and objectives of our members as we progress our work, just as we always have been. Following a commitment in the review to work even more closely with the City of London Corporation to ensure greater alignment and better outcomes for the industry, I am delighted to say that this is progressing very well. I would like to take this opportunity to thank Catherine McGuinness and her colleagues at the Corporation for their enormous support and efforts in this.

Most recently, work has inevitably been dominated by our response to the Covid-19 pandemic – with a particular focus on the challenge of recapitalising business post crisis. Following intensive work by over 200 financial experts from across 50 financial and related professional services firms under the auspices of our Leadership Council, chaired by Leadership Council Chairman Sir Adrian Montague and supported by EY, we published a series of far-reaching options to tackle the projected high volumes of unsustainable debt. I would particularly like to thank to Sir Adrian and Omar Ali of EY for their superb leadership of this vitally important work.

This activity was delivered in consultation with the Bank of England, HM Treasury, the Financial Conduct Authority and business trade associations representing a wide spectrum of business sectors and sizes. I am enormously grateful for the time, effort and insight members and stakeholders contributed. The response so far has been encouraging and we continue to advocate for HM Treasury to take forward these options as the best solution to save jobs, protect taxpayer money and power UK economic recovery.

Covid-19 has certainly changed the nature of how we work, engage with members and stakeholders and deliver our activity. I have been immensely impressed with how colleagues across the organisation have adapted and reshaped our events, meetings and engagement into the 'new normal' virtual setting. For a number of months now we have run a busy and wide-ranging programme of events with Cabinet Ministers, senior policymakers, regulators and key international stakeholders, gaining very strong interest from members. Lockdown has made it impossible for us to hold a number of

our annual events, including our Annual Dinner, Annual Conference and our Summer Reception. However, we did successfully run our 2019 National Conference in Cardiff, in partnership with PwC, attracting over 160 senior delegates and speakers from the Welsh government, policymakers, industry and academia. The discussions at the event continued to underline the importance of promoting the industry's role as a true national asset.

Our work to further develop and deepen our activity and representation across the regions and nations of the UK has continued to grow, with strong support from our network of City Chairs and close collaboration with Scottish Financial Enterprise in Scotland. Our ongoing engagement with a broad range of senior stakeholders, including Metro Mayors, constituency MPs, regional teams from the Bank of England and other localised organisations has enabled us to continue to reinforce the value the industry brings to regional and national economies. I know how important this agenda is to members and it will continue to be a key priority for us over the coming years.

The future relationship between the UK and the EU, and ensuring industry priorities for the negotiations are clearly understood and conveyed to key stakeholders in the UK, across the EU Member States and in Brussels, has remained a priority across the year. Despite lockdown travel restrictions, we have maintained a successful programme of engagement, albeit virtually, to pursue this agenda.

While lockdown has also curtailed some business as usual activity with international markets, we have continued to deepen relationships with senior global stakeholders and deliver high-value outcomes. With the development of new trade and investment relationships with global markets a high priority for government, we have been very engaged with government to stress industry priorities for any new bilateral agreements. This has also included work with Swiss business association *economiesuisse* to set out joint industry asks for a future bespoke UK-Switzerland agreement – many of which were reflected in a joint statement from the Chancellor and his Swiss counterpart. Our work to support developing international financial centres has continued to gather strong momentum across Eurasia and we have forged a strong alliance with the World Alliance of International Financial Centres – particularly useful during the Covid-19 crisis in rejecting global shifts towards protectionism.

I remain very grateful to members for their continued engagement, contribution and participation in our work. This collaboration is absolutely central to delivering the best possible impact and supporting our members' own success. The Covid-19 pandemic saw us pause our usual annual member survey, but we will be looking to run a short pulse survey later this year to understand member perspectives given the enormous changes that have taken place over recent months. Both our Board and Leadership Council Chairs have made an enormous impact over the past year since their appointments and I am very grateful for their dedication to enhancing and progressing our programme of work. Similarly, I offer my thanks to our Board, Leadership Council and City Chairs for their time, effort and engagement with our work. Finally, I am enormously grateful to the team at TheCityUK for their ongoing commitment, dedication and focus on producing high-quality, high-impact outcomes for our members.

Miles Celic

Chief Executive Officer, TheCityUK



CORPORATE ACTIVITY

Delivered a strategic review in the latter part of 2019, which sought input from members, stakeholders and colleagues. We began to implement our agreed and renewed strategy at the start of this year.

A decade on from our inception, the review was an ideal opportunity to clarify our purpose and priorities, ensure we are continuing to add value and focusing on the issues of greatest importance to members. As well as refining our purpose to 'champion and support the success of the UK-based financial and related professional services ecosystem, and thereby our members', we have also focused our activity around a clear set of priorities – ones where our cross-sectoral remit allows for greatest impact. These are:

- Long-term competitiveness
- Future UK-EU relationship
- International trade and investment
- UK regions and nations
- Trust and reputation
- Sustainability

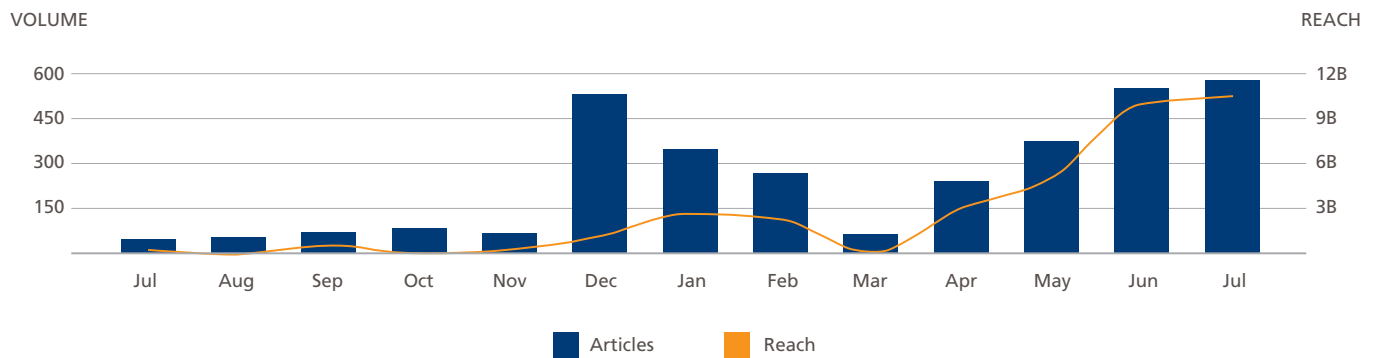
With the exception of sustainability, which cross cuts all priority areas, each of these priorities is being taken forward through a senior committee, chaired at Board level and with accountability to the Board. All our groups and committees have clearer structures and accountability to these committees and into the Board.

Deepened our working relationship with the City of London Corporation (CoLC) following the strategic review to ensure we are more aligned and deliver better outcomes for the industry. This close collaboration has been gathering good momentum and complements our close working with the sector trade associations. As well as jointly managing the secretariat for our groups and related activity, we are working together to support the set up of the Financial Services Skills Commission and to develop responses to government consultations. We look forward to further enhancing our relationship over the coming year. Our co-venture, the International Regulatory Strategy Group (IRSG), continues to progress well and produce thought-leading reports across a breadth of critical areas relevant to the industry and the regulatory environment.

Adapted quickly and effectively following the Covid-19 lockdown, with colleagues adjusting well to remote working, continuing to progress activity across the breadth of our programme and delivering strong outcomes for members. Our events programme has been entirely and successfully shifted online with a broad range of forums with senior speakers – including virtual roundtables, webinars, virtual report launches and 'In conversation with' events – being delivered to a wide range of senior stakeholders. Since lockdown we have kept in close contact with the sector trade associations and members to understand action being taken across the industry to support staff while working remotely and plans to return to the office.

Continued to strengthen media profile and presence in regional, national and international outlets. Across the year we have generated over 3,500 pieces of print, online and broadcast coverage across 70 countries, including 15 front page news stories in the likes of the Financial Times, The Daily Telegraph, The Sunday Times, The Sunday Telegraph and City A.M.. Coverage has been driven by our reports, activities and insight and reactive commentary to ongoing news - in particular the future UK-EU relationship and most recently the challenges arising from the Covid-19 lockdown for businesses and the economy. Social media activity has increased, with Twitter followers up 9% year on year and LinkedIn up 66% over the same period. Our series of media roundtables has continued to attract senior journalists and members alike with guests across the year – in person and via Zoom – including Ruth Sunderland (Business Editor, The Daily Mail), Stephanie Flanders (Senior Executive Editor and Head of Economics at Bloomberg), Patrick Jenkins (Deputy Editor, Financial Times), Matthew Vincent (Regulation & Professional Services Correspondent, Financial Times) and Soumaya Keynes (Trade and Globalisation Editor, The Economist).

TheCityUK media coverage July 2019 – July 2020



Delivered a member retention rate of 94%, just shy of our 95% target despite challenging external circumstances, supported by dedicated account management and consistent member communication. We have not run our annual member survey due to the Covid-19 lockdown starting when we would typically be in field. We have, however, remained in close contact with members throughout this period.

Continued to engage with partner organisations and initiatives that support our commitment to diversity and inclusion.

We continue to be a signatory of HM Treasury’s Women in Finance Charter to which we pledged to maintain a 40:60 female:male ratio across our senior management team (inclusive of our Executive Team of four and Senior Management Group of 11). The data submitted during the period of this report (September 2019), showed that we had fallen just shy of our nominal target to a 36:64 female:male ratio, which, given the size of our management team, was impacted by the change of just one member of the team. We expect to exceed our target when we report in September 2021 as the reporting period runs to the end of each financial year. We continue to be a Social Mobility Pledge accredited employer, have once again supported the Social Mobility Awards (2019) and National Numeracy Day and continue our charitable partnerships with The Brokerage and All Stars London. We have implemented a series of internal compulsory training sessions for colleagues on diversity and inclusion and will be further enhancing our activity in this area over the coming year.

PARTNERSHIPS AND SUPPORTING ACTIVITIES

Women in Finance Charter

National Numeracy Day

The Brokerage
Connecting young Londoners and employers

TheCityUK 10 YEARS
TheCityUK supports Pride

UK Social Mobility Awards™
The Social Mobility Awards

The Social Mobility Pledge

All Stars London

OUR PRIORITIES

Long term competitiveness

Developed and published far-reaching options to tackle the post Covid-19 recapitalisation challenge, convening over 200 financial experts from 50 firms across the financial and related professional services industry into a 'Recapitalisation Group' (RCG), chaired by Leadership Council Chairman Sir Adrian Montague and supported by EY. This was an immense project at an unprecedented time, with the final report from the RCG setting out proposals for converting, restructuring and repaying the projected high levels of unsustainable debt held by SMEs from Covid-19 loans. The implementation of these options would help hundreds of thousands of SMEs get back on their feet, save millions of jobs, protect billions of pounds of taxpayer money, and help power Britain's economic recovery and future growth. Alongside very high levels of supportive media coverage in national and regional print and broadcast outlets as well as online, and in trade and international titles, we have had engagement at the most senior levels of government and are continuing to push for HM Treasury (HMT) to adopt our solutions.

"TheCityUK has delivered a serious piece of work on a critical challenge facing the UK economy."

Huw Evans, Director General, ABI

Delivered a key project to secure and develop the future skills needs of the industry through our work on the HMT-sponsored Financial Services Skills Taskforce. Chaired by ex-City Minister Mark Hoban, and convened by TheCityUK with support from EY and the City of London Corporation, the project published a landmark series of proposals to address the existential skills crisis facing the financial services sector – one of which was to establish a Financial Services Skills Commission to take forward the recommendations. The initiative has been well-endorsed and supported by City Minister John Glen MP and we – in collaboration with the CoLC – have subsequently been supporting the set up of the Commission.

Successfully delivered a series of well-attended events with senior MPs at the Autumn 2019 party conferences

(Conservative, Labour and SNP) focused on a range of issues critical to the industry's long-term competitiveness and future success, from AI and innovation, diversity and skills and trade and investment to regulation and social impact. Our co-sponsorship of the Conservative Party's 1922 Committee Reception gave us a platform alongside the Home Secretary to discuss the importance of innovation and the industry's position on avoiding a no-deal Brexit.

Continued to promote the strength and vital contribution of UK legal services to the ecosystem and wider economy. Our annual 'Legal excellence, internationally renowned' report remains a valuable source of data and information for senior stakeholders and policymakers – with its launch event featuring a keynote speech from The Chancellor of the High Court, Sir Geoffrey Vos, who commended the report. We continue to engage with the Ministry of Justice and other relevant stakeholders on issues of importance to the sector to ensure that the UK remains a world-leading legal hub and preferred location for the resolution of disputes.

Future UK-EU relationship

“TheCityUK has led the financial services industry’s official lobbying on Brexit”

Cat Rutter Pooley, Financial Times, 6 September 2019

Continued to press the industry’s priorities for a future UK-EU relationship with government and parliamentarians of all main parties, officials and stakeholders across Europe and in the UK. In meetings, both in person and now virtually, we have consistently stressed the importance for our industry of avoiding a no-deal outcome, as well as a range of other priority issues, such as market access, access to talent, remaining technical issues and progress on equivalence assessments and determinations.

Sustained engagement on future UK-EU relationship priorities through events, including via our own member Brexit Briefing event, which brought together senior practitioners, industry stakeholders and policymakers; being a supporting partner and panellist at City & Financial’s Brexit Summit and subsequent Future of the UK Financial Services Industry events; and participating in various industry and member-led events discussing the subject.

Sustained high levels of engagement with senior policymakers and stakeholders in Brussels and across the EU Member States to discuss the industry’s priorities for a future UK-EU relationship and other related issues. These included in-person visits to Brussels, Croatia, Luxembourg and Sweden, which were complemented by meetings in the UK with the Ambassadors of Spain, Sweden, Switzerland and Finland. More recently, and in collaboration with the CoLC, we have held a series of high-level meetings with stakeholders and policymakers in Luxembourg, Germany, Italy, Ireland, Poland, France, Brussels and with the EU Mission to the UK and UK Mission to the EU.

Produced thought-leading recommendations about future of regulation between the UK and the EU through the IRSG, in collaboration with Linklaters. The proposals from the report – ‘The architecture for regulating finance after Brexit: Phase II’ – have been widely drawn upon by key stakeholders, with a letter from the House of Lords EU Financial Affairs Sub-Committee to the Chancellor, the creation of the Financial Services Regulatory Initiatives Forum and Grid and the Chancellor’s Financial Services Update of 23 June 2020 reflecting the need to delegate responsibility to the PRA or FCA subject to enhanced accountability. HMT’s Future Regulatory Framework Phase I consultation has also drawn down on the report.

EU ACTIVITY



10

SENIOR STAKEHOLDER VISITS
AND DELEGATIONS

7

EU AMBASSADOR
MEETINGS

20+

VIRTUAL MEETINGS AND
ROUNDTABLES WITH EU
STAKEHOLDERS
POST COVID-19

International trade and investment

Worked closely with global partners to promote the need for international cooperation post-Covid-19, including through the World Alliance of International Financial Centres and the Global Services Coalition. Promoting the avoidance of protectionism, regulatory fragmentation and international economic tensions remains a high priority – essential not only to support international recovery efforts, but also fundamental to long-term prosperity. Our CEO joined a virtual Select Committee hearing, giving evidence to the House of Commons' International Trade Committee's inquiry into the impact of Covid-19 on international trade. This followed a written submission we provided to the Committee towards the end of April.

Deepened relationships with senior US policymakers, regulators and other key stakeholders through regular discussions and inbound delegations and outbound visits. Our focus remains on further enhancing collaboration between the UK and US financial and related professional services industries, promoting new opportunities for a future trade and investment relationship and regulatory and supervisory cooperation. We explored the potential for UK-US digital services trade and cross-border data flows, through our report with EY: 'The future UK-US trading relationship: creating a transatlantic digital market in services'. This was the first major output in our wider work on data and trade in digital services with a number of key markets.

90+ MEETINGS, ROUNDTABLES, DELEGATIONS, VISITS AND VIRTUAL MEETINGS WITH GLOBAL SENIOR STAKEHOLDERS



Expanded our work to support developing international financial centres (IFC), which included us concluding successful projects to support the development of corporate governance and FinTech across Eurasia. Our FinTech and corporate governance projects in Moscow were funded by the British Embassy in Moscow, and delivered in partnership with Moscow Innovation Cluster and Forum Analytical Centre. They brought together expert practitioners from the UK and Russia to exchange ideas and best practice. In Kazakhstan we delivered a successful corporate governance project to help develop a corporate governance code for the Astana IFC, funded by the British Embassy in Nur-Sultan. In Uzbekistan, we worked with the Capital Markets Development Agency to explore how Uzbekistan could develop its own international financial centre in Tashkent. We also signed a landmark MoU with Uzbekistan's Capital Markets Development Agency to support the country's ambitions to develop an IFC in Tashkent, and renewed our MoU with Forum Analytical Centre to continue collaboration on developing Moscow's IFC.

Strengthened relations and influenced key bilateral policy initiatives for Asia Pacific markets, supported by visits to meet key stakeholders in Singapore and Indonesia, including the HM Trade Commissioner for Asia Pacific, Natalie Black; HM High Commissioner to Singapore, Kara Owen; the Monetary Authority of Singapore; HM Ambassador to Indonesia, Owen Jenkins; the Financial Services Authority of Indonesia; and the Indonesian Investment Coordinating Board. We have been contributing industry input to the UK-Japan free trade agreement (FTA) negotiations, including through parliamentary submissions and discussions with the UK's chief negotiator for the FTA and the negotiating teams at HMT and the Department for International Trade. Discussions have also taken place with HMG on what the industry would like to see addressed in the UK-Indonesia Joint Trade Review. On China, we have launched a number of cross-sector and bilateral workstreams to identify ways that the UK and Chinese industries can work together to support post Covid-19 recovery. We were pleased to be asked by HMT to continue to provide the UK secretariat for the India-UK Financial Partnership (IUKFP), and have supported the new UK chair to set out the IUKFP's future policy work programme in light of the initiative's renewed mandate by the Chancellor and the Finance Minister of India.

Selected as EY's delivery partner for its multi-year programme on financial services in India under HMG's Prosperity Fund. As part of this programme, we are delivering virtual roundtables on insurance with the Insurance Regulatory and Development Authority of India, followed by further virtual events on capital markets and pensions. This work has very recently been put on hold due to Covid-19.

Influenced the shape of a future UK-Switzerland trade and investment agreement through our work with *economiesuisse* to develop policy approaches and overarching principles and calls to deepen institutional, regulatory and supervisory cooperation. This culminated in the report 'Future-proofing the UK-Swiss financial and related professional services relationship', which detailed joint key industry asks for a future bespoke UK-Switzerland agreement. We were pleased to see so many of our high-level asks outlined in the paper were echoed in the Joint Statement by the Chancellor and his Swiss counterpart on 30 June, indicating both governments' intentions to begin work on an ambitious financial services agreement based on a mutual recognition framework. Our CEO was asked to speak on behalf of the UK-based industry following the Chancellor's statement, and TheCityUK and *economiesuisse* have been asked by both governments to jointly host a UK-Swiss Financial Services Industry Roundtable in Zurich. This event will allow industry to directly feed into government discussions at the UK-Swiss Financial Dialogue, which will take place in Bern in September – the official start of the bilateral financial services mutual recognition agreement.

Sustainability

Embedded sustainability across the breadth of our activity in line with our renewed strategy to see this priority area cut across all streams of work, where appropriate. We published the latest in our series of green finance reports with Imperial College Business School's Centre for Climate Finance & Investment, focused on low-carbon infrastructure investment. Our Chief Economist & Head of Research, who leads our work in this area, subsequently spoke at various industry events and conferences, including for Deloitte, EY and the CISI, on green infrastructure and similar topics such as impact investment and sustainable finance.

Contributed intelligence and insight on sustainable finance and other key sustainability issues, including through ongoing engagement with the Department for International Trade, taking part in their consultation roundtables on prospects for UK sustainable finance exports, and through a regular series of blogs.

Regions and Nations

Strengthened our UK-wide representation of industry beyond the M25. Our City Chairs in Belfast, Birmingham, Bristol, Cardiff, Leeds, Newcastle and Greater Manchester continue to engage across the UK's regions and nations, leading events, building relationships and informing policy. This activity has taken place in person across the first half of the year and, latterly, virtually. It has included engagement with Metro Mayors, Labour and Conservative MPs in their constituencies, regional teams from the Bank of England and wider stakeholder organisations, including our partners in Scotland. Our discussions with HMT about the levelling-up agenda have been very positive and provided us with the opportunity to set out the industry's economic contribution to the regions and nations, as well as the local priorities of our City Chairs.

Delivered a successful National Conference in Cardiff, in partnership with PwC, attracting a full-to-capacity room of senior delegates. High profile speakers included Rt Hon Lord Heseltine and Ken Skates MS, the Welsh Economy Minister, alongside speakers from the Welsh government, policymaking, industry and academia covering issues ranging from innovation and customer expectations to supporting the start-up economy. Member feedback was very positive on the day. We were planning to hold our 2020 National Conference in Leeds, but due to Covid-19 are now preparing to run our first virtual conference, with a focus on Yorkshire running through the agenda.



OF POST-EVENT SURVEY RESPONDENTS SAID THECITYUK NATIONAL CONFERENCE 2019 WAS **VERY GOOD OR GOOD**



Engaged at senior levels of government to discuss our regions and nations programme of work, including with the Chancellor and Economic Secretary to the Treasury. Given the emphasis placed by government on levelling up and the work already in train through our regions and nations work, there are clear synergies and alignments that we can support and engage on and we continue to maintain a positive dialogue on this work.

Trust and reputation

Focused on senior engagement with the new government following the 2019 General Election to ensure the industry is aligned with new priorities and to establish an ongoing dialogue. The clear intention set out by the government to level-up across the UK in the weeks following the General Election coincided with meetings in January with the Chancellor and Economic Secretary to the Treasury led by the Chairman and Chief Executive respectively. These both focused on the industry’s support for the government’s regional agenda and provided us the opportunity to discuss progress already made – and forthcoming plans – on our own regions and nations programme of work. The Leadership Council Chairman also attended a meeting of industry leaders with the Prime Minister to discuss the government’s levelling-up agenda. This presented the opportunity for him to update on our recapitalisation work and proposals. The Chief Executive subsequently attended a meeting with the Prime Minister alongside senior business representatives at the end of July. Senior meetings continue to take place to discuss the recapitalisation proposals and other key issues, including with the Secretary of State for Business, Energy and Industrial Strategy.

SENIOR POLICYMAKERS AND STAKEHOLDERS ENGAGED:

RT HON ELIZABETH TRUSS MP SAM WOODS
 ANTONY PHILLIPSON : STEPHEN KINNOCK MP : RT HON ROBERT BUCKLAND QC
 RT HON BORIS JOHNSON MP
 ANDREW BAILEY : LORD O’NEILL OF GATLEY
 RT HON ANNELIESE DODDS MP
 RT HON PAT MCFADDEN MP : DAME KAREN PIERCE
 RT HON JUSTINE GREENING MP : CHRIS WOOLARD
 RT HON AMANDA MILLING MP : TOM TUGENDHAT MP : RT HON IAN BLACKFORD MP
 SEEMA MALHOTRA MP
 DANIELA STOFFEL : HOSIUMI
 SIR GEOFFREY VOS : ANDY BURNHAM
 RT HON THE LORD HESELTINE CH : RT HON SAJID JAVID MP
 JOHN GLEN MP
 LORD GRIMSTONE OF BOSCOBEL KT
 RT HON ALOK SHARMA MP
 KARA OWEN : RT HON HILARY BENN MP : JUDITH SLATER
 NATALIE BLACK
 STEPHEN HAMMOND MP

Engaged with policymakers from the new Parliament including a significant number of new MPs, such as those elected in the ‘red wall’ areas, to discuss the industry’s contribution to the economy and other critical issues of mutual interest. TheCityUK has maintained engagement with new MPs to brief on the industry’s role throughout the pandemic and we are focused on work to set out how the industry can support the recovery across the UK. We have continued to make the industry’s case to senior parliamentarians, including through member roundtables with the Chair of the Foreign Affairs Committee, Tom Tugendhat MP, the Chair of the Committee on the Future Relationship with the European Union, Rt Hon Hilary Benn MP and the Chair of the Conservative Party, Rt Hon Amanda Milling MP. This activity has also included engagement to discuss the recapitalisation proposals, with the likes of John Glen MP, Rt Hon Ian Blackford MP, Drew Hendry MP, Rt Hon Greg Clark MP, Bim Afolami MP and Stephen Hammond MP. The final RCG report was also sent to all Members of Parliament and we continue to follow up with priority policymakers.

Established good engagement with senior levels of the Labour Party following the election of Sir Keir Starmer MP as its new leader. This has included meetings with the Shadow Chancellor, the Shadow Economic Secretary and other key shadow front benchers. We will continue to build relationships across the Party leadership and with frontbench spokespeople to underline the vital role of the industry as a national asset and its ability to support UK economic recovery.



Miles Celic, CEO, TheCityUK, discussing Brexit on BBC Breakfast.



Panel session at TheCityUK National Conference featuring Katharine Finn, TheCityUK's City Chair for Cardiff; Carys Williams, Group Ambassador for Wales, Lloyds Banking Group; Louise O'Shea, CEO, Confused.com and Professor Arman Eshraghi, Chair of Finance and Investment, Cardiff Business School.



Marcus Scott, COO, TheCityUK on Sky News.



Sir Geoffrey Vos, Chancellor of the High Court, speaking at TheCityUK Legal Services report launch event.



Miles Celic, CEO, TheCityUK with Congressman Joe Wilson on a recent trip to the US.



Anjalika Bardalai, Chief Economist & Head of Research, TheCityUK on BBC News.



Panel discussion at the launch of the Financial Services Skills Taskforce report featuring David Storey, Partner, EY; Sian Fisher, CEO, Chartered Insurance Institute; Mark Hoban, Chair, Financial Services Skills Taskforce and Chairman, Flood the; Stephen Noakes, TheCityUK City Chair for Bristol, and Group Ambassador for the South West, Lloyds Banking Group; and Sandra Wallace, The City Chair for Birmingham, and Joint Managing Director, UK and Europe, DLA Piper.



John Glen MP, Economic Secretary to the Treasury and City Minister, speaking at the launch of the Financial Services Skills Taskforce report.



Mark Hoban speaking on behalf of the International Regulatory Strategy Group (IRSG) on Bloomberg.



Miles Celic, CEO, TheCityUK, speaking at TheCityUK co-sponsored 2019 Conservative Party Conference 1922 Committee Reception with the Rt Hon Priti Patel MP, Home Secretary.



John Glen MP, Economic Secretary to the Treasury and City Minister, addressing a TheCityUK Leadership Council meeting via video conference.



Miles Celic, CEO, TheCityUK meeting the Financial and FinTech Committee from the British Chamber of Commerce in Singapore.



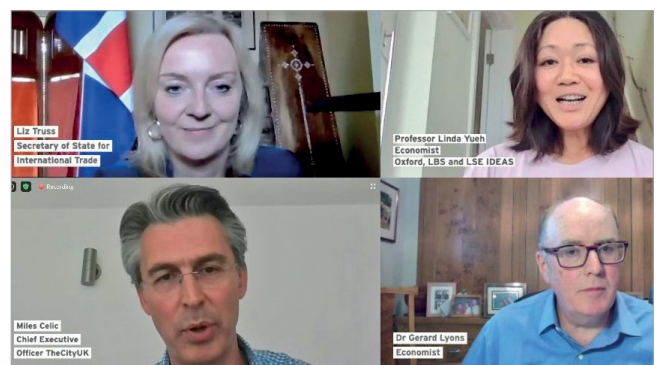
Panel session at TheCityUK Brexit Member Briefing, featuring Miles Celic, CEO, TheCityUK; Lord Sharkey, Chair, EU Financial Affairs Sub-Committee; Jill Rutter, Programme Director, Institute for Government; Felix Schwendimann, Financial Attaché, Embassy of Switzerland and Annabel Burns, Director of Legal Services Policy Directorate, Ministry of Justice.



Ken Skates AM, Minister for the Economy, Welsh Government speaking at TheCityUK National Conference in Cardiff.



Miles Celic, CEO, TheCityUK discussing the 2019 general election on Bloomberg.



TheCityUK Future of Globalisation webinar with Secretary of State for International Trade Rt Hon Liz Truss MP, Professor Linda Yueh, Miles Celic, CEO, TheCityUK and Dr Gerard Lyons.

CORPORATE GOVERNANCE REPORT

Principles of Corporate Governance

TheCityUK, (the 'Company'), is committed to high standards of corporate governance. The Board is accountable to the Company's members for good governance in its management of the affairs of the Company. The Directors acknowledge the importance of the principles of corporate governance. As a non-quoted company limited by guarantee, the Company is not obliged to comply with the requirements of the Combined Code, however the Board intends to comply with its main provisions as far as reasonably practicable having regard to the size of the organisation.

The Board recognises the importance to members of corporate governance disclosure. To this end the Company has developed a set of disclosures that it feels are consistent with the Company's size and the constitution of the Board and intends to continue to develop these disclosures as it grows.

The Board

The Board currently comprises the following members who are also members of the following committees of the Board:

TheCityUK Board of Directors as of August 2020

Directors	Finance and Audit Committee	Remuneration and Nominations Committee
Rajesh Agrawal		
Omar Ali		✓
Edward Braham		
Miles Celic	✓	✓
Tracy Clarke	✓	
Galina Dimitrova		
Huw Evans		
John Heaps	✓	
Andrew Kail	✓	
Sean McGovern		
Catherine McGuinness		✓
Sarah Melvin		
Mark Tucker		✓
Jonathan Whitehouse		
Rick Watson		
Robert Wigley		
Sir David Wootton	✓	

Matters reserved for the Board's attention

The Board has a formal schedule of matters reserved for its decision covering the following areas:

- objectives and strategy
- structure
- membership
- management
- financial reporting, internal controls, risk and capital management
- transactions
- corporate governance, Board, and other appointments
- remuneration and pensions
- delegation of authority
- policies
- material contracts.

Committees

The Board operates through clearly identified Board committees to which it delegates certain powers. These are the Finance and Audit and the Remuneration and Nominations Committee. They are properly authorised under the constitution of the Company to take decisions and act on behalf of the Board, within the guidelines and delegations laid down by the Board in the Board Charter. The Board is kept fully informed of the work of these committees and each committee has access and support from the Company Secretary. Any issues requiring resolution are referred to the full Board. A summary of the operations of these committees is set out below.

The Finance and Audit Committee's role is to review, and challenge where necessary, the annual operating budget and management accounts of the Company. Its role is also to monitor the quality of internal control, ensuring that the financial performance of the Company is properly measured and reported on, and to review reports from the Company's auditors relating to its accounting and internal controls, in all cases having due regard to the interests of the members. Finally, this committee reviews the key operational risks facing the Company and management plan to mitigate these risks.

The Remuneration and Nominations Committee leads the process for Board appointments. It vets and presents to the Board potential new Directors. All new appointees undergo a nomination process before the Board considers their appointment. In addition, it shall review and make recommendations to the Board about the Company's remuneration policy and specifically about the remuneration package of the Chief Executive Officer.

A copy of the Terms of Reference for these committees can be obtained by contacting the Company Secretary at the Company's Offices.

In addition, the Board receives reports and recommendations from time to time on matters which it considers significant.

Board meetings

The Board scheduled five meetings during the year ended 31 March 2020 and additional meetings were convened when required. The table below shows the attendance of Directors at regular Board meetings and at meetings of the committees during the year.

The Board is supplied in a timely manner with information in a form and of a quality appropriate to enable it to discharge its duties.

Board Meetings 1 April 2019 - 31 March 2020				
Directors	Date Appointed (A) or Resigned (R)	Regular Board Meetings	Finance and Audit Committee	Remuneration and Nominations Committee
Meetings Held:		5	2	2
Rajesh Agrawal		0		
Omar Ali		3		2
Edward Braham		4		
Miles Celic		5	2	2
Tracy Clarke		1	2	
Galina Dimitrova		5		
Craig Donaldson	(R) 18 September 2019	1*	1*	
Huw Evans		4		
John Heaps		4	2	
Mark Hoban	(R) 1 July 2020	4		2
Stephen Jones	(R) 18 June 2020	5	1	
Andrew Kail		3	1	
Simon Lewis	(R) 20 January 2020	2*		
Rachel Lord	(R) 20 January 2020	0*		
John McFarlane	(R) 31 May 2019	1*		
Sean McGovern		3		
Catherine McGuinness		5		1
Mark Tucker	(A) 1 June 2020	4*		1*
Jonathan Whitehouse		4		
Sir David Wootton		5	1	
Clare Woodman	(R) 18 September 2019	1*		

* For part of the year under review only

Board performance appraisal

With the full support of the Board, the Chairman leads an evaluation of the performance of the Board and its committees on a regular basis. The last review concluded that the Board and its committees are currently effective and each Director continues to demonstrate commitment to their role. The review recommended streamlining of the Board subcommittees and the Board charter was duly amended and implemented.

Re-election of Directors

New Directors are subject to election at the first Annual General Meeting of the Company following their appointment. In addition, up to a third of the Directors (excluding the Nominated Directors of the City of London Corporation and the Greater London Authority) are required to submit themselves for re-election at the AGM of the Company. Each Director shall be entitled to be reappointed but shall not serve as a Director for more than two three-year periods.

Board independence

The Board considers all the Non-Executive Directors to be independent in character and judgement. The Non-Executive Directors have provided robust independent advice and challenge throughout the year. In concluding that all its Non-Executive Directors are independent, the Company considered, inter-alia, the fact that all of the Non-Executive Directors are Directors of other corporations and are unpaid.

COMPANY INFORMATION

Directors

R Agrawal
O Ali
E C Braham
M Celic
T J Clarke
G R Dimitrova
H D Evans
J R Heaps
A Kail
S G McGovern
C S McGuinness
S L Melvin (appointed 1 May 2020)
M E Tucker
R J Watson (appointed 3 June 2020)
R C M Wigley (appointed 1 July 2020)
J P Whitehouse
Sir D H Wootton

Company secretary

M J Scott

Registered number

07088009

Registered office

Sixth Floor
Fitzwilliam House
10 St. Mary Axe
London
EC3A 8BF

Independent auditor

Nexia Smith & Williamson
Chartered Accountants & Statutory Auditor
25 Moorgate
London
EC2R 6AY

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The directors present their report and the financial statements for the year ended 31 March 2020.

Principal activity

The principal activity of the Company is to promote a globally competitive UK Financial and related Professional Services sector.

The Company does this in two principal ways, firstly by building evidence to demonstrate the sector's contribution to society and sustainable economic growth and secondly by bringing together the highest levels of Government and the sector, both domestically and internationally, to influence better policy decisions. These decisions open markets and create business opportunities for our members, their customers and clients.

Results and dividends

The loss for the year, after taxation, amounted to £134,794 (2019: profit £47,010).

No dividends were paid or proposed during the year (2019: £Nil).

During the financial year the company incurred £201,272 of additional costs for rent, rates and service charges as part of a move to new premises; for a period of 5 months the company incurred costs on both the old and new premises to allow the full activities of company to continue without disruption. These costs were planned in advance and formed the part of the budget approved by the Board.

Impact of COVID-19

As well as the necessity for staff to work from home during the pandemic, it is clear that COVID-19 will have some impact on our business, both in the short and longer terms. In the short term this will impact our revenue, since our ability to host events in person and our ability to travel to overseas markets and conduct work for the UK Government's Prosperity Fund have been significantly curtailed. These have affected our ability to generate revenue in these areas.

Whilst these are far from existential threats, comprising a relatively small component of our revenue, these activities generated a contribution to overall costs.

In the longer term some of our members may face cost challenges in their own businesses and may be forced to review memberships. We will keep these developments under review and plan accordingly, updating the board as the impact becomes clearer.

Retained earnings policy

The Company has a policy agreed by the board to ensure that the Company holds in Retained Earnings a minimum of three months fixed expenditure. Fixed expenditure includes staff and redundancy costs, ongoing contracts including leases and outstanding purchase invoices.

Directors

The Directors who served during the year were:

R Agrawal
O Ali
E C Braham
M Celic
T J Clarke
G R Dimitrova
C F Donaldson (resigned 18 September 2019)
H D Evans
J R Heaps
M G Hoban (resigned 1 July 2020)
S E Jones (resigned 18 June 2020)
A Kail
S D Lewis (resigned 20 January 2020)
R Lord (resigned 6 January 2020)
J McFarlane (resigned 5 June 2019)
S G McGovern
C S McGuinness
M E Tucker (appointed 1 June 2019)
R J Watson (appointed 3 June 2020)
R C M Wigley (appointed 1 July 2020)
J P Whitehouse (appointed 1 June 2019)
C Woodman (resigned 18 September 2019)
Sir D H Wootton

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditors

The auditors, Nexia Smith & Williamson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies' note

In preparing this report, the directors have taken advantage of the small companies' exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



Miles Celic

Director

Signed on 8 July 2020

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020

The directors are responsible for preparing the Directors' report 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent:
and
- 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 to 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.

FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2020

	Note	2020 £	2019 £
Turnover	2	6,187,822	6,153,563
Cost of sales		(866,533)	(1,136,255)
Gross profit		5,321,289	5,017,308
Administrative expenses		(5,394,143)	(5,001,765)
Operating (Loss)/profit	5	(72,854)	15,543
Interest receivable and similar income		9,455	8,732
(Loss)/gain on current asset investments		(71,395)	22,735
Profit (Loss)/before tax		(134,794)	47,010
Tax on profit	7	-	-
Profit/(Loss) for the financial year		(134,794)	47,010

There was no other comprehensive income for the year 2020 (2019:£nil).

The notes on pages 28 to 37 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	8	609,577	56,908
Investments	9	220	220
		609,797	57,128
Current assets			
Debtors: amounts falling due within one year	10	602,840	936,872
Current asset investments	11	838,938	921,354
Cash at bank and in hand		<u>1,720,719</u>	<u>2,036,733</u>
		3,162,497	3,894,959
Creditors: amounts falling due within one year	12	<u>(2,212,422)</u>	<u>(2,201,921)</u>
Net current assets		950,075	1,693,038
Total assets less current liabilities		1,559,872	1,750,166
Provisions for liabilities			
Provisions	13	(7,500)	(63,000)
Net assets		1,552,372	1,687,166
Capital and reserves			
Retained earnings	14	1,552,372	1,687,166
		1,552,372	1,687,166

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



Miles Celic

Director

Signed on 8 July 2020

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

	Retained earnings £	Total equity £
At 1 April 2018	1,640,156	1,640,156
Comprehensive income for the year		
Profit for the year	47,010	47,010
Total comprehensive income for the year	47,010	47,010
At 1 April 2019	1,687,166	1,687,166
Comprehensive income for the year		
Loss for the year	(134,794)	(134,794)
Total comprehensive loss for the year	(134,794)	(134,794)
At 31 March 2020	1,552,372	1,552,372

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

	2020 £	2019 £
Cash flows from operating activities		
(Loss)/profit for the financial year	(134,794)	47,010
Adjustments for:		
Depreciation of tangible assets	85,748	95,109
Interest received	(9,455)	(8,732)
(Increase)/decrease in debtors	276,429	(219,907)
(Decrease)/increase in creditors	68,104	(45,261)
(Decrease)/increase in provisions	(55,500)	12,000
Net fair value losses/(gains) on current asset investments	71,395	(22,735)
Net cash (used in)/generated from operating activities	301,927	(142,516)
Cash flows from investing activities		
Purchase of tangible fixed assets	(638,417)	(15,877)
Purchase of current asset investments	-	(898,619)
Sale of current asset investments	11,021	-
Interest received	9,455	8,732
Net cash from investing activities	(617,941)	(905,764)
Net (decrease) in cash and cash equivalents	(316,014)	(1,048,280)
Cash and cash equivalents at beginning of year	2,036,733	3,085,013
Cash and cash equivalents at the end of year	1,720,719	2,036,733
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,720,719	2,036,733
	1,720,719	2,036,733

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. General information

TheCityUK is a company limited by guarantee, domiciled and incorporated in England and Wales (registered number: 07088009). The registered office address is Sixth Floor, Fitzwilliam House, 10 St.Mary Axe, London, EC3A 8BF.

The Company's functional and presentational currency is GBP.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on a going concern basis.

The directors have carefully reviewed the future prospects of the Company and its future cash flows, including an assessment of the potential impact of the COVID-19 pandemic. The full impact of the COVID-19 pandemic on our business remains uncertain and as a result is unquantifiable at this stage.

In the short term the pandemic will impact our revenue, since our ability to host events in person and travel to overseas markets and conduct work for the UK Government's Prosperity Fund have been significantly curtailed. These will affect our ability to generate revenue in these areas. They comprise a relatively small component of revenue but did generate a contribution to overall costs.

In the longer term some of our members may face significant cost challenges in their own businesses and may be forced to review memberships. We will keep these developments under review and plan accordingly, updating the board as the impact becomes clearer.

Nevertheless, having assessed this the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future being at least the next 12 months from signing of these financial statements based upon revised revenue projections and the level of cash reserves and current asset investments held by the Company.

For this reason the directors continue to adopt the going concern basis for the preparation of the financial statements. Accordingly, these financial statements do not include any adjustments to the carrying amount or classification of assets and liabilities that would result if the Company was unable to continue as a going concern.

2.3 Exemption from preparing consolidated financial statements

The Company is exempt from the requirement to prepare consolidated financial statements as all of its subsidiaries can be excluded from consolidation by section 402 of the Companies Act 2006.

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Subscriptions

Subscriptions invoiced by the Company are recognised over the period that the related services are provided to the members, with income relating to future periods being deferred accordingly and disclosed under deferred income.

Grant income

Grant income from the City of London Corporation is paid to the Company quarterly in advance and is recognised in the quarter to which it relates.

Grant income from government grants is paid to the Company quarterly in arrears and is recognised in the period in which it is earned.

Other income

Other income is derived principally from events held and publications released and is recognised once the service to which it relates has been provided.

All income relates to the United Kingdom.

2.5 Cost of sales

Direct activity costs incurred by the Company are matched to the period in which the service was provided, and accruals made where invoices have not been received at the period end.

2.6 Publications

The cost of printing publications is written off in the period in which it is incurred and, therefore, no stocks of publications are recognised in the financial statements.

2.7 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.8 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2. Accounting policies (continued)

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long-term leasehold property	20%
Fixtures and fittings	33%
Office equipment	33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.10 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in investment funds are remeasured to market value at each statement of financial position date. Market value is determined using publicly listed prices provided by the investment custodian. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.11 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the statement of financial position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the statement of financial position date.

2.12 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2. Accounting policies (continued)

2.13 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.14 Financial instruments

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument.

Investments in unlisted shares are classified as basic financial instruments. They are initially measured at transaction price less impairment. Investments in investment funds are measured at fair value with gains and losses on remeasurement recognised in the Statement of Comprehensive Income.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the Company's cash management.

Financial liabilities and equity instruments issued by the Company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

2.15 Taxation

Tax is recognised in the Statement of Comprehensive Income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and

Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

2. Accounting policies (continued)

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Since the Company acts as a not-for-profit mutual organisation with the intention of benefiting its members, profits from trading with members are outside the scope of corporation tax. The Company therefore does not provide for corporation tax on any surplus generated.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Management does not consider there to be any judgements that have a significant effect on amounts recognised in the financial statements.

Management considers that the key sources of estimation uncertainty in preparing the financial statements are:

Current asset investments

Current asset investments are measured at fair value using publicly available valuations of the fund investments provided by the custodian. As at 31 March 2020, investments were valued at £838,938 (2019: £921,354), of which £71,395 was recognised as a loss during the year (2019: gain of £22,735).

Trade debtor recoverability

The trade debtors balances of £290,386 (2019: £443,808) recorded in the Statement of Financial Position comprise a relatively small number of large balances. A full line by line review of trade debtors is carried out by management at the end of each month. Whilst every attempt is made to ensure that the bad debt provisions are as accurate as possible, there remains a risk that the provisions do not match the level of debts which ultimately prove to be uncollectible.

Dilapidation provision

The dilapidation provision of £7,500 (2019: £63,000) is based upon the best estimate of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. However, there remains a risk that the provision does not match the level of cost ultimately required.

4. Grant income

There are no unfulfilled conditions attached to the grant income recognised. Grant income has been received in relation to projects undertaken as well as rental and services undertaken under a service level agreement; further information on the funding from the City of London Corporation is described within note 18.

5. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets	85,748	95,109
Operating lease rentals	522,998	224,878
Pension cost	171,910	187,696

6. Employees

The average monthly number of employees, including directors who received remuneration, during the year was as follows:

	2020 No.	2019 No.
Average number of employees	40	44

The average number of directors who served during the year was 18 (2019: 19), one of which received remuneration during the year (2019: 1)

7. Taxation

	2020 £	2019 £
Total current tax	-	-
Total deferred tax	-	-
Taxation on profit on ordinary activities		
The Company has an unrecognised deferred tax asset of £136,371 (2019: £136,214).	-	-
Factors affecting tax charge for the year		
There were no factors that affected the tax charge for the year which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 19% (2019 -19%).		

8. Tangible fixed assets

	Long-term leasehold property	Fixtures and fittings	Office equipment	Total
	£	£	£	£
Cost or valuation				
At 1 April 2019	258,575	101,683	194,834	555,092
Additions	426,307	129,669	82,441	638,417
Disposals	(258,575)	(92,922)	-	(351,497)
At 31 March 2020	426,307	138,430	277,275	842,012
Depreciation				
At 1 April 2019	253,592	94,460	150,132	498,184
Charge for the year	22,746	23,004	39,998	85,748
Disposals	(258,575)	(92,922)	-	(351,497)
At 31 March 2020	17,763	24,542	190,130	232,435
Net book value				
At 31 March 2020	408,544	113,888	87,145	609,577
At 31 March 2019	4,983	7,223	44,702	56,908

9. Fixed asset investments

	Investments in subsidiary companies
	£
Cost	
At 1 April 2019	220
At 31 March 2020	220

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
TCUK Trading Limited	Sixth Floor, Fitzwilliam House, 10 St. Mary Axe, London, EC3A 8BF	Inactive	Ordinary share capital	100%

The aggregate of the share capital and reserves as at 31 March 2020 and the profit or loss for the year ended on that date for the subsidiary undertaking were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
TCUK Trading Limited	(901)	(97)

10. Debtors

	2020 £	2019 £
Trade debtors	290,386	443,808
Amounts owed by group undertakings	728	728
Other debtors	52,211	147,659
Prepayments and accrued income	259,515	344,677
	602,840	936,872

11. Current asset investments

	2020 £	2019 £
Current asset investments	838,938	921,354
	838,938	921,354

Current asset investments consist of investments made in a diversified portfolio of assets which includes bonds, equities, commodities and real estate. The original cost of investments was £887,598 (2019: £898,619). Fair value losses incurred during the year are £71,395 (2019: gain £22,735) and have been recognised in the Statement of Comprehensive Income as part of (Loss)/gain on current asset investments.

12. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	133,816	272,008
Other taxation and social security	7,393	36,600
Deferred income	1,330,586	1,394,999
Accruals	740,627	498,314
	2,212,422	2,201,921

13. Provisions

	Dilapidation provisions £
At 1 April 2019	63,000
Dilapidation paid	(52,000)
Amounts credited to the Statement of Comprehensive Income	(3,500)
At 31 March 2020	7,500

Dilapidations provision

A dilapidation provision is recognised to accrue the cost of returning the Company's office premises to its original condition at the end of the lease. During the period the Company enacted its break clause, leaving its previous office. A payment of £52,000 was made to restore the office premises to its original condition with the remaining provision of £7,500 representing management's current best estimate of the cost of returning the Company's new office premises to its original condition.

14. Reserves

Retained earnings

This reserve relates to the cumulative retained earnings less amounts distributed to members.

15. Company status

The Company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the Company in the event of liquidation.

16. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £171,910 (2019: £187,696). There were no outstanding contributions at the reporting date (2019: £Nil).

17. Commitments under operating leases

At 31 March 2020 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	241,556	349,088
Later than 1 year and not later than 5 years	1,666,822	17,838
Later than 5 years	1,787,284	4,680
	3,695,662	371,606

18. Related party transactions

The Company received funding of £400,000 (2019: £400,000) from the City of London Corporation for services provided in accordance with the Service Level Agreement dated July 2019. At the year end, an amount of £Nil (2019: £Nil) was outstanding. The City of London Corporation is a related party of the Company due to the Corporation's level of financial support and associated rights, including the ability to appoint two Board members.

In addition, the Company received £100,000 (2019: £100,000) from the City of London Corporation in relation to a contribution for rental expenses incurred by the Company. At the year end, an amount of £Nil (2019: £Nil) was outstanding.

During the year, the Company was invoiced £94,473 (2019: £70,490) by the City of London Corporation for rent and rates. At the year end, the Company was owed £15,120 (2019: owed by the Company £127,477) which is included within debtors.

Key management personnel

Key management are those persons having authority and responsibility for planning, controlling and directing the activities of the Company. In the opinion of the board of directors, the Company's key management are the Executive Team of TheCityUK. Total compensation to key management personnel during the year was £1,309,432 (2019: £1,072,592), which includes amounts payable as severance to departing members of key management personnel.

19. Controlling party

There is no ultimate controlling party.

20. Auditor information

The auditor's report on the financial statements prepared for the members was unqualified and the auditor drew attention by way of emphasis to note 2.2 which describes the impact of COVID-19 on the Company. The auditor's report was signed by Giles Murphy of Nexia Smith & Williamson as senior statutory auditor.

TheCityUK

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MEMBERSHIP

To find out more about TheCityUK and the benefits of membership visit
www.thecityuk.com or email us at membership@thecityuk.com

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