

Supporting recovery, shaping an agenda for the future

Annual report and accounts 2020-21



About TheCityUK

TheCityUK is the industry-led body representing UK-based financial and related professional services. We 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 more than 2.3 million people, with two thirds of these jobs outside London. It is the largest taxpayer, the biggest exporting industry and generates a trade surplus exceeding that of 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 publications 2020-21



August 2020 - July 2021

TheCityUK in numbers

“TheCityUK has really proved its worth in 2020... The future looks promising despite the challenges of 2021.”

Sir Win Bischoff, J.P. Morgan



15 PUBLICATIONS PRODUCED

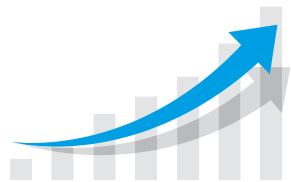


5,900

BROADCAST, PRINT AND ONLINE NEWS PIECES ACROSS **84** COUNTRIES



TWITTER FOLLOWERS UP **5%** YEAR ON YEAR TO OVER **9,900** WITH TWEETS GAINING OVER **1.8 MILLION** DIRECT IMPRESSIONS



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



267 MEETINGS AND EVENTS WITH **6,422** ATTENDEES, A YEAR ON YEAR INCREASE OF **41%**



LINKEDIN FOLLOWERS UP **62%** YEAR ON YEAR TO OVER **6,965** FOLLOWERS WITH OVER **383K** IMPRESSIONS



ACHIEVED A **94%*** MEMBER RETENTION RATE



9 IN 10 MEMBERS SAY WE MAKE A SIGNIFICANT CONTRIBUTION TO DEBATES CONCERNING THE INDUSTRY**



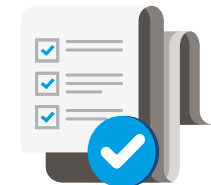
9 IN 10 MEMBERS SAY WE'RE EFFECTIVE AT ADVANCING THE INTERESTS OF MEMBERS**



88% OF MEMBERS HIGHLY RATE OUR ABILITY TO POSITIVELY INFLUENCE RELEVANT POLICY AND REGULATORY ISSUES**

80%

OF MEMBERS SAY OUR OBJECTIVES AND ACTIVITIES STRONGLY ALIGN WITH THEIR ORGANISATION'S INTERESTS AND PRIORITIES**



This is inclusive of the time period August 2020 - July 2021 | *Annual target: 95% | **Source: TheCityUK Member Pulse Survey 2020, conducted by Kantar

Board Chairman's statement

The past twelve months have been dominated by the ongoing response to the global pandemic, in terms of both the public health crisis and of the economic crisis that ensued. Those challenges remain – for our industry, our customers, our colleagues and the communities we serve. And they are likely to be with us for many months and perhaps years to come.

While some parts of the world, including the UK, are reopening on the back of successful vaccination programmes, we remain acutely aware of the potential for further resurgence of the virus and its variants, and of the very serious challenges still faced in many countries. In addition, the challenges faced before the pandemic – including dealing with the consequences of Brexit, defining the UK's place as a global financial centre, geopolitical tensions and digital transformation – all continue to contribute to what is an extremely complex operating environment for our industry.

"I have been privileged to chair TheCityUK during this period and am proud of how it has continued to bring all parts of our industry together to tackle these challenges."

The pandemic will have a lasting impact, not just in terms of how industries and businesses have adapted and changed, but also in terms of how we engage our customers and stakeholders, how we work, the increased focus on sustainability and the need to reduce social inequality. These are all key issues for our industry.

I am confident that financial and professional services will step up, just as they have done during the crisis, by providing services and support to customers and colleagues to help them through difficult times.

I have been privileged to chair TheCityUK during this period and am proud of how it has continued to bring all parts of our industry together to tackle these challenges. We have engaged with Government and regulators to provide and deliver solutions, and we have collaborated with our partners to achieve strong outcomes for our members. An excellent example has been the work led by TheCityUK Leadership Council Chairman, Sir Adrian Montague and EY, to consider the recapitalisation of SMEs post-pandemic and to mitigate the impact of high levels of unsustainable debt. I am pleased that a number of their recommendations were reflected in the Chancellor's Winter Economy Plan and am grateful to everyone who supported this important work. As a corollary to this, we published a roadmap of how the industry can further support economic recovery – a proactive plan for driving change. I look forward to seeing it put into action.

Since becoming Chairman of TheCityUK, a priority has been to listen to the views and understand the different perspectives of our members and stakeholders. TheCityUK exists to represent its members, so it is important that their priorities are fully reflected in the agendas we pursue and the outcomes we achieve. This was a key focus of our strategic review conducted by McKinsey in 2019, and I am pleased with progress so far.

Over the past year, we have continued to look at how we are delivering our strategic priorities. This is a standing item

on our Board agenda, and we have improved transparency of decisions taken at meetings, to give members greater clarity. In parallel, we have continued to strengthen our partnership with the City of London Corporation, which has allowed us to reduce duplication and ensure better outcomes for the industry. I am very grateful to Catherine McGuinness, Chair of the Policy and Resource Committee at the City of London Corporation, for her strong support. I value our close working relationships with the Financial Services Skills Commission, Scottish Financial Enterprise and the major sector trade associations.

Post-pandemic and post-Brexit, ensuring the continued competitiveness of the UK as a world-leading international financial hub will underpin the industry's long-term success. While the EU will continue to be among our important trading and investment partners, our relationships with markets across the world have taken on added significance. Over recent months we have conducted extensive research to understand members' priority markets. We have supported many of the trade deals and partnerships announced by the Government. Our new international strategy, developed through our International Trade and Investment Group, sets the future direction of our work in this area, and complements our equally important work on domestic competitiveness. I am very grateful to those members and stakeholders who have contributed.

Promoting the many benefits our industry brings to the UK economy and to citizens in their everyday lives remains a mainstay of our work. Our City Chairs have continued to lead this by promoting the value and contribution of our industry across the UK's regions and nations, its strength beyond London, and its role in supporting the Government's agenda in rebalancing the economy. But there is clearly still more work to do to rebuild our industry's reputation.

An area where we need to make greater progress is diversity and inclusion. Ensuring we are truly reflective of the customers and communities we serve must be a priority for every organisation in our sector, including TheCityUK. While there is genuine commitment to improve representation and some clear signs of progress across our industry, we still have a long journey ahead in order to get to where we want and need to be.

"There will be further challenges in the coming year, but also opportunities to be seized. I am confident that TheCityUK is well positioned to do both..."

Recognising the importance of embracing a diversity of thinking, TheCityUK launched its Next Generation Leadership Council (NGLC) last October. It is a group of young, high-performing, future industry leaders, chaired by Sir Adrian, which has already proven itself to be a source of creative challenge and innovative thinking. I am looking forward to seeing it continue to develop and help shape the TheCityUK's future direction.

I would like to thank all our members and stakeholders for their support and engagement. I am also grateful to our Directors for their expert advice and guidance, our City Chairs and the chairs of our various Groups. In particular, I

would like to express my appreciation of the contribution made by Sir Adrian, who has deftly chaired the Leadership Council and was the architect of the NGLC. It has been a great pleasure to work alongside him, and I wish him the very best when he steps down from his role with TheCityUK later this year. An announcement on his successor will be made in due course.

Likewise, my thanks go to Miles Celic and his team for consistently delivering strong outcomes for our members in very challenging circumstances. They have done a tremendous job over the past year to maintain momentum and prepare for the new hybrid working model that the organisation is implementing.

Although the pandemic is far from over, as an industry we can be proud of how we have continued to support our customers and colleagues through the worst of the crisis. There will be further challenges in the coming year, but also opportunities to be seized. I am confident that TheCityUK is well positioned to do both, while achieving the best outcomes for its members, the wider industry and the whole of the United Kingdom.

Mark Tucker

Board Chairman, TheCityUK



Chief Executive Officer's statement

During a year that has brought extraordinary challenges for people, businesses and communities across the country, I have been incredibly proud of the resilience, fortitude and commitment colleagues at TheCityUK have shown, and of the work we have delivered for members. We have been very focused on supporting and engaging staff throughout the pandemic, and I'm hugely grateful for how enthusiastically everyone responded during what have been very difficult circumstances. The seismic shift in the way we operate and engage members and stakeholders has quickly become 'business as usual'. While we all look forward to a more normalised way of working and living, the emerging hybrid model of working will enable us to retain the positive aspects of virtual forums, ensuring we remain flexible for members and continue to extend our reach.

"We have made good progress on our strategy over the past year, delivering strong outcomes for members across the breadth of our priorities."

The economic shock of the pandemic has been deep, with the entire nation feeling the impact. Early in the crisis, the financial and related professional services industry stepped up to help sustain people and businesses through challenging times. For our part, the work we took forward in collaboration with EY – chaired by Sir Adrian Montague and involving over 200 financial experts from 50 firms across the industry – to address the impending challenge of recapitalising businesses post-pandemic, was well received by regulators and stakeholders. Not only did HM Treasury recognise the final report as a useful contribution to how businesses can be supported through the crisis, it was well cited in the Treasury Select Committee's inquiry report into 'The economic impact of coronavirus', with a recommendation to government that our report would provide "a good starting point for Treasury's work around recapitalising businesses". Several proposals were also echoed by the Chancellor in his Winter Economy Plan. I am particularly grateful to Omar Ali and colleagues at EY and Sir Adrian for their leadership and significant contribution to this important project.

Just as the industry played a critical role in supporting society through the pandemic, it will also play a central role in driving forward the nation's economic recovery. Our strategy is aligned to this effort, and the report we launched earlier this year, 'A roadmap for economic recovery', sets out how the industry can power that growth over the next decade. We were pleased to see the Chancellor share that ambition in his Mansion House speech earlier in the year. We continue to take forward the report's recommendations.

Our new international strategy is a natural corollary to that work, outlining a plan to shore up future industry growth, bolster UK competitiveness and attractiveness and return the UK to being the world-leading international financial centre. A huge amount of effort has gone into developing this strategy; my sincere thanks go to Edward Braham of Freshfields, Chair of our International Trade and Investment Group, and group members for their work. This will also dovetail with our work on long-term competitiveness, led by Omar Ali of EY.

We have made good progress on our strategy over the past year, delivering strong outcomes for members across the breadth of our priorities. Our priorities: long-term competitiveness, international trade and investment, trust and reputation, the future UK-EU relationship, regions and nations and sustainability continue to resonate with members, with our latest member pulse survey, conducted by Kantar, showing that 80% felt that they strongly aligned with their organisation's interest and priorities. We have also continued to deepen our collaboration with the City of London Corporation and work closely across our mutual priorities, mitigating duplicative activity and strengthening outcomes for the industry. I would like to offer my sincere thanks to Catherine McGuinness and her colleagues at the Corporation for their support and commitment to this endeavour. Similarly, we continue to work closely with the major trade associations and the Financial Services Skills Commission, and at the beginning of this year signed a Memorandum of Understanding with UK Finance to reinforce our commitment to collaboration and cooperation on areas of shared interest.

Post-Brexit, we pushed for the resolution of outstanding issues, have kept a close watch on the evolving regulatory regimes in the UK and the EU, and continued to run an extensive stakeholder engagement programme in collaboration with the City of London Corporation in Brussels and across the EU Member States to enhance cooperation and strengthen bilateral relationships. We have also consistently pushed for key professional services priorities, including the mutual recognition of legal and professional qualifications. The activity taken forward by the International Regulatory Strategy Group (IRSG) – our joint venture with the City of London Corporation – has also been hugely additive to our Brexit-related work. I am delighted that we were able to appoint Dr Kay Swinburne, Vice Chair of Financial Services, KMPG, as the new chair of the IRSG earlier this year.

Our Europe Groups closed in March this year and work on the future UK-EU relationship is now being taken forward under the auspices of our Long-Term Competitiveness work.

"I have been incredibly proud of the resilience, fortitude and commitment colleagues at TheCityUK have shown, and of the work we have delivered for members."

As the UK charts a new course in its international relationships, our international trade and investment work has ensured that the industry's interests are being reflected in new bilateral trade deals and free trade agreements. Examples of strong outcomes in this area include the work of our Switzerland Market Advisory Group (MAG), chaired by Joe Cassidy of KPMG, in collaboration with Swiss counterparts, to help restore UK-Swiss trading arrangements; and by our Japan MAG, chaired by Sir David Wright, which contributed to the development of the UK-Japan Comprehensive Economic Partnership – a deal that included forward-looking provisions for digital trade and the prohibition of data localisation. Our US MAG, chaired by Bruce Carnegie-Brown of Lloyd's, has had strong focus on pressing for greater UK-US regulatory and supervisory cooperation and we've met virtually with several key senior policymakers and stakeholders. Our co-leadership

of the British American Business Alliance, a group that brings together leading business groups on both sides of the Atlantic, has been a useful and influential forum to take forward joint work. Thanks go to Catherine McGuinness of the City of London Corporation and Ken Bensten Jr of SIFMA for their co-chairing of the group.

With COP26 on the horizon and the need to address climate change risks becoming increasingly urgent, sustainability has risen up the agenda. Our Green and Sustainable Finance Group, chaired by Anne Marie Verstraeten of BNP Paribas, is taking forward our work in this area, which includes the development of a new Green Finance report. We've also been working closely with the major trade associations and the City of London Corporation to coordinate activity at COP26, and will continue to address key issues arising from that event.

Our regions and nations work has continued to grow, despite restrictions on travel and with strong support from our network of City Chairs and collaboration with Scottish Financial Enterprise. Our engagement with local policymakers and stakeholders has continued to address the key issues impacting the industry, and our member pulse survey showed that 84% of members believe that we are effective at promoting the industry across the UK. A key pillar of this programme is our National Conference, which we held virtually over three days, attracting high-calibre speakers such as the Governor of the Bank of England, Secretary of State for International Trade, the City Minister and the Shadow Chancellor.

Our annual report about UK legal services continues to be well received by members of the judiciary, the Ministry of Justice and other key stakeholders, with The Lord Chancellor and Chancellor of the High Court both welcoming the report at its launch. My thanks go to James Palmer of Herbert Smith Freehills for his great work chairing our Legal Services Group and this work. We have also continued to engage in the ongoing consultations on audit and corporate governance issues, ensuring to reflect the variances in emphasis across the industry and reinforcing the risks to UK competitiveness of a regime that isn't aligned to international competitors.

Our focus on trust and reputation has always been a central tenet of our work, but over the past year we have invigorated this agenda, agreeing industry-wide messaging and key outcomes for focus, as well as introducing metrics to measure our impact. The launch of our Next Generation Leadership Council – a group of high-potential future industry leaders, is another initiative that leans to this agenda. Chaired by Sir Adrian Montague, the group has been established to provide creative input and constructive challenge to our work – it has made a fantastic start and is already making a real impact across our work. We have also further embedded our diversity and inclusion work, becoming a signatory of the Race at Work Charter and launching a new D&I Exchange for members to engage and collaborate on key issues, and share insights and expertise. We will continue to enhance our work on this important agenda over the coming year.

Despite the challenging circumstances over the past year, it was very positive to note that members continue to rate our work highly – with upticks in both their favourability towards us and perceptions of our overall effectiveness (91% and 90% respectively). I am enormously grateful, as ever, for our members' continued support and engagement in our work.

I would also like to offer my sincere thanks to our Board Chairman, Mark Tucker, and Leadership Council Chairman, Sir Adrian Montague, for their dedication and commitment over the past year. Sir Adrian steps down from his role towards the end of this year and Mark’s tenure ends in June next year – both have made a tremendously positive impact to the organisation. I also offer my thanks to our Board, Leadership Council, City Chairs and our group chairs for their time, effort and continued engagement with our work. Finally, I must congratulate the team at TheCityUK who have really gone above and beyond over the past year to continue producing high-quality, high-impact outcomes for members.



Miles Celic

Chief Executive Officer, TheCityUK



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Our response to Covid-19

The sustained shift to remote working has seen us embed new ways of working and find innovative ways to engage colleagues and support them through a challenging period. As we move into a new phase of hybrid working, we will continue to adapt and innovate to ensure we continue to successfully engage members, deliver key outcomes and ensure our people are well supported.

We have continued to work closely with members and stakeholders to set out how the industry can support customers and businesses through the pandemic, specifically through our work on recapitalisation, as well as considering the role it can play in supporting the country's post-pandemic economic recovery. A summary of key outcomes follows.

“This welcome report by TheCityUK sets out options for repaying debt – helping hundreds of thousands of SMEs, protecting taxpayers’ money and saving millions of jobs.”

Catherine McGuinness, Policy Chair at the City of London Corporation, about our report ‘Supporting UK economic recovery: recapitalising businesses post Covid-19’



Implemented a programme of wellbeing initiatives to support colleagues through the pandemic. The health and wellbeing of colleagues throughout the prolonged period of remote working has remained a priority. We introduced and maintained a broad range of activities to encourage everyone to keep connected to colleagues within their teams and across the wider organisation, be that through weekly catch ups, regular ‘tea and talk’ sessions, a ‘virtual Hub’, HR drop-ins, lunchtime yoga, a health webinar, ongoing social activities or weekly update emails and monthly zoom updates from the CEO. Findings from our most recent staff pulse survey showed that 80% felt the initiatives had continued to be useful. For those colleagues who have needed additional mental health and wellbeing support, we have ensured easy access to our Employee Assistance Programme, and ensured a regular flow of informal check-ins and bespoke support plans. While we have set out our plan and clear timelines to phase colleagues into a new hybrid working arrangement over the coming weeks, we continue to take a flexible approach to ensure people feel comfortable and safe returning to the office. Our plan will remain under review and be adapted to align with any changes to government guidance.

Delivered a large-scale, cross-industry project to tackle the challenge of recapitalising SMEs. Our recapitalisation work with EY, chaired by TheCityUK Leadership Council Chairman Sir Adrian Montague, was a significant project,

bringing together over 200 financial experts from 50 firms across the financial and related professional services industry. The publication of the group’s final report, ‘Supporting UK economic recovery: recapitalising businesses post Covid-19’, was the culmination of that work, setting out actionable options for converting, restructuring and repaying the expected high levels of unsustainable debt incurred by SMEs. As well as corralling support from a wide range of stakeholders, the report generated extensive media coverage, putting TheCityUK front and centre of the debate around the impending unsustainable debt challenge. Following extensive engagement with senior ministers, regulators, and officials, it was positive to hear many of our proposals echoed by the Chancellor in his November 2020 Winter Economy Plan which set out a series of initiatives to support businesses through the crisis. HM Treasury directly acknowledged the report as a useful contribution to how businesses can be supported through challenging times, and the Treasury Select Committee, in the second report on its inquiry into the ‘Economic impact of coronavirus’, noted in its recommendations that “TheCityUK has already carried out a comprehensive review on the recapitalisation of businesses, which should provide a starting point for the Treasury’s work.”

Led discussions on the industry’s role in driving economic recovery, engaging ministers, members and key stakeholders, including through our events at the Conservative, Labour and SNP Party Conferences which each focused on the topic. All events attracted strong attendance and generated wide-ranging discussions. The Economic Secretary to the Treasury and Bim Afolami MP joined our Conservative event, and the Shadow Chancellor joined the panel at our Labour event, both alongside other senior practitioners and stakeholders. At the SNP Conference we hosted an event in partnership with the City of London Corporation and Scottish Financial Enterprise, which included remarks from Colin Beattie MSP. Our 2021 Party Conference events will further explore this topic, drawing on our ‘A roadmap for economic recovery’ report and considering more broadly how the industry will continue to contribute to UK economic growth.

“Thanks for the excellent work of the team through Covid-19.”

TheCityUK member

Set out a roadmap for how the industry can support post-pandemic economic recovery. Following extensive consultation with members, we published our ‘A roadmap for economic recovery’ report in April 2021, identifying several critical challenges to tackle as the UK rebuilds after the crisis and post-Brexit and setting out a series of recommendations to take forward. The report’s launch event attracted near-record levels of attendance and involved a strong line up of speakers, including Ruth Sunderland, Business Editor, Daily Mail; Rt Hon Pat McFadden MP, Shadow City Minister; and Abimbola Oladipo, London Stock Exchange Group and TheCityUK Next Generation Leadership Council member. The report covered areas such as levelling-up, skills and talent, technology and innovation, regulation, international trade and investment, related professional services, tax, and sustainability. It made clear that while some of the challenges could be addressed by the industry alone, others would require collaboration between industry, government and the regulators. We continue to engage with key stakeholders to take forward the recommendations.

Our strategic priorities



Long-term competitiveness

Successfully lobbied stakeholders for a long-term strategic vision for the industry. We have consistently called for government to set out a long-term strategic vision for the industry through our reports, engagements and meetings with ministers, senior officials and regulators. We fed in key messages ahead of the Chancellor’s 2021 Mansion House speech and are actively engaging with HM Treasury on how to deliver on the commitments he outlined in his vision and accompanying strategy: ‘A new chapter for financial services’.

A panel session from our Annual Conference 2021, discussing the future of the financial and related professional services industry



Continued to engage with a range of stakeholders on mobility and immigration to promote key recommendations from our report with EY on ‘International trade agreements and UK immigration policy’, including on intra-company transfers and Youth Mobility Schemes. Our call for simplifying immigration rules to support service mobility has been taken forward through the government’s commitment to a Global Mobility Visa, as has our recommendation to prioritise the agreement of reciprocal Youth Mobility Schemes with a commitment to enhanced Youth Mobility Schemes with Australia and India. We are now taking forward a project with EY and the City of London Corporation to reflect on progress against our recommendations and on changes made to the UK immigration system, the impact on firms and outstanding challenges.

Driven positive change in the UK’s regulatory system. We have responded to several reviews and consultations on the UK’s regulatory regime, including through the International Regulatory Strategy Group (IRSG). The IRSG published a report on ‘The UK regime for overseas firms’, chaired by Rachel Kent of Hogan Lovells, and responded to the HM Treasury Financial Services Future Regulatory Framework Review Phase II consultation, work led by Julian Adams of M&G and Peter Bevan of Linklaters. One of its main recommendations was for a review of the regulators’ objectives and we are pleased that HM Treasury is considering this as part of the next stage of its review. The IRSG is now looking at how the competitiveness of the UK’s regulatory regime can be further enhanced.

“TheCityUK is on the ball when it comes to industry strategies and has focused objectives.”

TheCityUK member

Continued to strongly advocate for the contribution of UK legal services and its role in driving international competitiveness. Our annual report on legal services continues to be highly regarded and well supported by senior members of the judiciary, the Ministry of Justice and members. Its launch event included keynote addresses from the Lord Chancellor and Secretary of State for Justice, Rt Hon Robert Buckland QC MP, and Sir Geoffrey Vos, Chancellor of the High Court, who both noted the importance of our report in demonstrating the significant contribution and impact of the legal sector to the UK’s economy. Through our Legal Services Group, chaired by James Palmer of Herbert Smith Freehills, we have also continued to make representations across the year to government on legal and professional business services issues related to our relationship with the EU and other international markets, as well as on important domestic legal services and ecosystem policy issues.

Maintained engagement around ongoing audit and corporate governance issues, coordinating a response to the Business, Energy & Industrial Strategy (BEIS) consultation on ‘restoring trust in audit and corporate governance’ that reflected the views of members and the variances in emphasis across the ecosystem. While we welcomed a holistic set of reforms to the UK’s corporate regulatory system and overall business ecosystem, we continued to underline the risks of inhibiting the UK’s competitiveness by creating a disproportionate regime not aligned to international competitors. We will remain engaged with members and the government on this agenda.

Urged policymakers to capitalise on the opportunities arising from the growth of cryptoassets and the use of Distributed Ledger Technology and take a world-leading position in what is a high-growth, high-potential sector. Our well-received report 'Cryptoassets: Shaping UK regulation for innovation and global leadership' made clear the need to balance encouraging innovation, protecting consumers and providing regulatory clarity while ensuring legislation is proportionate and takes a technology-neutral approach. Work is now underway with Clifford Chance to consider the intersection between digital technologies and green and sustainable finance, with a report due for publication later this year.

UK Regions & Nations

Set a course for the industry's contribution to the levelling up agenda. Our 'A roadmap for economic recovery' report considered levelling up and the industry's role in supporting its delivery in a dedicated chapter based on insights from City Chairs, regional members and local policymakers. Among its recommendations was a call for government to better define levelling up, set clear metrics for its success, and to appoint a cabinet minister to lead a dedicated civil service delivery team. We have already seen progress, with Neil O'Brien MP's appointment as chief adviser to the government on levelling up, leading a specialist civil service delivery taskforce. We continue to focus efforts on where the industry can support this agenda.

Successfully delivered our fourth National Conference, in an entirely virtual format over three days. Due to Covid restrictions, we delivered our flagship regional event virtually in November 2020. Taking place over three days, with each dedicated to one aspect of the theme 'Recovering, Rebalancing and Revitalising', the event attracted several high-calibre speakers, including the Secretary of State for International Trade, Governor of the Bank of England, Economic Secretary to the Treasury, and Shadow Chancellor of the Exchequer. Held in partnership with BNP Paribas and supported by DLA Piper, Yorkshire Building Society and BNY Mellon, around 400 senior delegates attended the conference across the three days, with media coverage of the event including Sky News, LBC, Financial Times, The Guardian, Daily Mail, Bloomberg and City A.M., as well as strong social media engagement and promotion.



Andrew Bailey, Governor of the Bank of England, speaking at our National Conference 2020

Facilitated ministerial engagement across regional member networks, including a series of virtual roundtables in December 2020 with senior members in the North, Midlands, and South West & Wales at the request of the Economic Secretary to the Treasury. These enabled the minister to source regional insights on key elements of the Chancellor's speech on financial services in Parliament which was set out the preceding month. Each of the discussions focused on green finance, FinTech and the wider economic recovery.

"TheCityUK looks outside of London, works for a broad range of members and is thinking ahead about what the future of finance looks like from a service, resilience and physical location standpoint."

TheCityUK member

Strengthened our regional and national partnerships with successful collaborations. Alongside our City Chairs we supported the development of a major report by the Financial Services Skills Commission (FSSC) and the Professional and Business Services Council (PBSC) - 'Skills for Future Success'. We organised a series of virtual roundtables to determine the skills needs across the regions and nations in preparation of the report. City Chairs later supported the FSSC and PBSC in engaging Lord Grimstone of Boscobel Kt, Minister for Investment, on key findings of the research. We have also strengthened our partnership with the City of London Corporation through the development of a series of regional activities focusing on green finance and levelling up, that will be delivered in 2021.

Future UK-EU relationship

Made strong and consistent calls for industry priorities to be addressed in the UK-EU Brexit negotiations.

Ahead of the signing of the EU-UK Trade and Cooperation Agreement (TCA) we called for the UK to make unilateral equivalence decisions to help depoliticise the process – and were pleased that the Chancellor's financial services statement in November granted a package of equivalence decisions to the European Economic Area (EEA). Shortly after the signing of the TCA, we continued to advocate for the resolution of outstanding issues, including data, equivalence, mutual recognition of professional qualifications, mobility and the UK's accession to the Lugano Convention. It was good to see our work taken forward by the IRSG on data paid off when the European Commission adopted a data adequacy decision in June. We also proactively engaged with government regarding the EU-UK Memorandum of Understanding (MoU) on financial services regulatory cooperation. Given our push to depoliticise the negotiations, it was positive that the technical discussions on the MoU were concluded.

Closely monitored ongoing developments in the UK-EU relationship and evolving regulatory regimes in the UK and EU to understand where differences may give rise to issues for firms and the customers they serve, and to inform

our ongoing engagement with the UK and EU, including Member State authorities. We have also facilitated member briefings on specific issues of critical importance to the industry, including on Central Counterparty Clearing (CCPs). We have continued to strongly advocate for the maintenance of civil and commercial judicial cooperation with the EU and for the UK to remain a member of the Lugano Convention.



◀ Miles Celic, TheCityUK CEO, speaking on Bloomberg

Delivered an extensive programme of virtual engagement with senior policymakers and stakeholders in Brussels, across EU Member States, and with representations in London in collaboration with the City of London Corporation. This included meetings with the UK Mission to the EU, EU Mission to the UK, European Commission, French Finance Ministry, German Finance Ministry and Central Bank of Italy. Discussions focused on the industry’s position on the UK-EU TCA, the evolving EU and UK legislative frameworks and scoped alignment on emerging areas, including sustainability. Recognising the changed nature of the UK-EU relationship following the end of the transition period we also sought opportunities to strengthen bilateral relationships with Member States and enhance cooperation on areas of mutual interest at international fora.

“Excellent progress has been made in supporting EU dialogues.”
TheCityUK member

International trade and investment

Developed an industry wide international strategy and refreshed senior international trade and investment forums. Under the new chairman of our International Trade and Investment Group (ITIG), Edward Braham of Freshfields, we refreshed ITIG and our Liberalisation of Trade in Services Committee (LOTIS) and rationalised our

Market Advisory Groups (MAGs) to provide greater focus to our international engagement. The ITIG has since led the development of a new international strategy for the industry, which focuses on how to regain the UK’s position as the world-leading international financial centre. The strategy was developed in close consultation with over 50 members to align with their commercial priorities and leverage the work being done by partners across the ecosystem. It sets out what is needed to retain and grow the UK’s international competitiveness and identifies areas which will drive future growth; becoming a world class hub for data, putting the UK at the heart of environmental, sustainability and governance (ESG) finance, acting as a gateway for international investment and becoming the world’s centre for risk advisory. It has clear and measurable recommendations for industry, regulators and government, will be published in September 2021 and will underpin our international work in the coming years.

“It has been great to have the opportunity to talk to TheCityUK about our ambitious plans to create a cat’s cradle of trade deals across the world, with advanced services and digital chapters.”
Rt Hon Elizabeth Truss MP, Secretary of State for International Trade

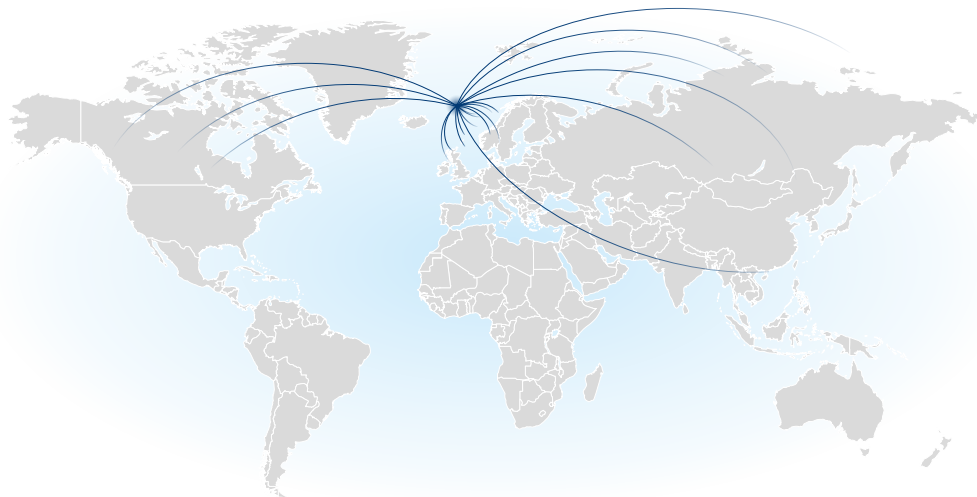
Helped shape new free trade agreements (FTAs) and input to negotiations, including deals with Australia, New Zealand, Japan, and the United States (US), and the UK’s application to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), as well as FTA consultations for Mexico, India and Canada. Our CEO appeared before the House of Commons International Trade Committee in February 2021 to outline industry priorities for the UK’s potential accession to the CPTPP and was appointed to two of the Department for International Trade’s (DIT) Trade Advisory Groups, for financial and professional services. We are also represented on various DIT Thematic Working Groups and on HM Treasury’s Expert Trade Advisory Group – through which we actively promoted the industry’s requests across key government departments leading to best-in-class digital provisions which support the industry’s growth in the Japan FTA. Mapped across this has been our work on influencing multilateral and plurilateral negotiations, particularly the WTO Joint Statement Initiatives on E-Commerce and Domestic Regulation, on which we have worked closely with global allies including the Global Services Coalition and the European Services Forum.

Positioned the UK as a global hub for ESG finance and sought international alignment on green and sustainable finance issues, advancing sustainability-related regulatory dialogues with trading partners such as Singapore, Japan, Switzerland, the US, India, China, Kazakhstan and ASEAN as a region. Sustainability workstreams have been increasingly prioritised across our various MAGs, with key themes including pursuing international consensus around green disclosure standards, advocating for more interoperability of green taxonomies, scaling up voluntary carbon markets, and working to build more integrated global green and sustainability markets so that the UK can position itself as a global hub for green finance and sustainability services.

Continued the strong focus on promoting UK and US regulatory and supervisory cooperation and deepening relationships with senior US policymakers, regulators and other key stakeholders. We have presented actionable recommendations to the UK-US Financial Regulation Working Group and the US-UK Financial Innovation Group via two reports and developed a strong follow up program utilising the business reach of the US MAG and our strong relationships with HM Treasury. We have also leveraged the British American Finance Alliance (BAFA) - the forum we co-lead with the US Securities Industry & Financial Markets Association (SIFMA) and the City of London Corporation - which brings together leading business groups on both sides of the Atlantic to press for regulatory cooperation between the UK and the US.

Shaped the future UK-Switzerland trade and investment agreement, pioneering a 'second country model' of close financial regulatory collaboration. Formal negotiations on delivering a comprehensive mutual recognition agreement are now underway and the Switzerland MAG has provided HM Treasury with technical detail on the four major sectors the future agreement will cover. The MAG has been influential in restoring the UK-Swiss share trading obligation which was lost in 2019 due to the EU removing Swiss stock exchange equivalence. The MAG's views were adopted in the successful negotiation of the UK-Swiss Services Mobility Agreement, allowing UK services suppliers to continue to do business in Switzerland.

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



Deepened our business networks and influenced bilateral policy initiatives in Asia Pacific markets in response to the government's Indo-Pacific pivot. Sustainable finance has been high on the agenda in our engagement with ASEAN markets. Together with HSBC Singapore, we co-chaired the inaugural UK-Singapore industry roundtable in the margins of the bilateral Financial Dialogue in July 2021, addressing how to strengthen linkages around stewardship, taxonomies and voluntary carbon markets.

“Throughout the pandemic, TheCityUK has maintained their connectivity with governments across the globe, promoting the UK internationally and making the case for the sector's contribution to helping economies weather the pandemic and position for recovery.”

TheCityUK member

The focus of the China MAG, which is run in partnership with the China-Britain Business Council and the City of London Corporation, has been on enhancing bilateral regulatory cooperation, greening the Belt & Road Initiative, supporting the two-way growth of FinTech and maintaining strong business links with Chinese counterparts.

The Japan MAG has forged a partnership with FinCity.Tokyo to deepen links between the UK and Japanese financial and related professional services industries. In December 2020 we convened business leaders from the UK and Japan with our respective finance ministries and regulators to discuss issues critical to the industry on the sidelines of the 2020 bilateral Financial Dialogue. Driven by members' input and together with FinCity.Tokyo, we initiated a joint work programme on sustainable finance and ESG to reduce regulatory fragmentation risks in the two markets.

Supported the delivery of work for the renewed India-UK Financial Partnership (IUKFP). The Chancellor and the Indian Finance Minister renewed the mandate of the IUKFP at the bilateral Economic and Financial Dialogue (EFD) in October 2020 and TheCityUK has supported a busy work programme to drive stronger trade and investment links. The IUKFP's UK members submitted an ambitious set of asks for the upcoming UK-India FTA negotiations and the two co-chairs participated in the inaugural Financial Markets Dialogue (FMD) in July 2021 to highlight business priorities. The IUKFP has developed detailed policy recommendations to support the development of GIFT City into a global services hub, with particular focus on FinTech and data, and cross-border trade and investment. It will advocate for this at the next UK-India Economic and Financial Dialogue and drive forward recommendations over the coming months.

Continued work to secure the UK as the leading western centre for Islamic finance. We provided input into HM Treasury's consultation on a second Sovereign Sukuk and were subsequently asked for advice on a new UK Government Islamic finance policy. Our Islamic Finance Group submitted industry asks on policy and future programmes and continues to advocate for these proposals. The Group is working with external organisations on the nexus between green and Islamic finance and the development of Islamic finance FinTech-based delivery systems.

Expanded our work to support emerging markets, including the conclusion of a series of UK Foreign, Commonwealth & Development Office funded projects in Russia, Kazakhstan and Uzbekistan. A new agreement was signed with Kenya to support the Nairobi International Financial Centre and further discussions with other posts are underway, supported by the new chair of our Emerging Markets Group, Nick Tolchard of Invesco, and the chair of our Eurasia MAG, Ayuna Nechaeva of London Stock Exchange Group.

Trust and reputation

Deployed economic research to provide evidence of the value of the industry as a strategic national asset, including our ‘Key facts about the UK as an international financial centre 2020’, ‘Legal excellence, internationally renowned: UK legal services 2020’, ‘Exporting from across Britain 2020’ and ‘Key facts about UK-based financial and related professional services 2021’ reports. The data in these publications are used in ongoing engagements with ministers, constituency MPs and other key stakeholders to underline the contribution of the industry to the wider economy and regional and national economies, and to people’s everyday lives. Messaging from these reports is regularly played back in speeches by cabinet ministers, policymakers and others, including the myth that ‘financial services’ and ‘the City’ are synonyms, that two thirds of jobs are outside London, that the industry contributes £76bn in tax each year, and that ours is the biggest exporting industry in the UK.

SENIOR POLICYMAKERS AND STAKEHOLDERS ENGAGED:



Strong engagement with UK Government, opposition parties and regulators to advocate industry priorities and set out thinking on the future of the industry and how to ensure the UK retains its world-leading status as an international financial centre. We have regularly met with senior policymakers and other key stakeholders across the year, as well as convening events to bring them together with members. Ahead of major government announcements and set-piece events, we have tailored our engagement to ensure we’re meeting with senior officials, special advisers and ministers. The Economic Secretary to the Treasury, John Glen MP, has attended every Leadership Council meeting, leaders of the PRA and FCA also give regular updates. Across the past year, we also held a number of virtual Extraordinary Leadership Council meetings which were attended several times by the Governor of the Bank of England, and also featured an address from the Shadow Chancellor and Chief Executive of the FCA.

Responded to key consultations and reviews and attended committee hearings on a wide range of industry-related issues. These included HM Treasury’s Future Regulatory Framework Review, Lord Hill’s Listings Review, and the Kalifa Review of UK FinTech (the latter two in which we were also actively engaged). We also provided written responses to key BEIS, Ministry of Justice, Home Office and Law Commission consultations. Members of our senior team participated in several evidence sessions to parliamentary committees, including an appearance by our Chief Economist alongside world-renowned economists at the House of Lords Economic Affairs Committee – an opportunity to burnish our credentials in economic thought leadership. Our recommendations and commentary from submissions and evidence sessions also featured in several reports published after inquiries closed.

“It has great convening power and is a voice heard by No 10 and relevant departments.”
TheCityUK member

Sought to enhance the industry’s trustworthiness and reputation in Westminster and across the regions and nations. The breadth of our work programme supports this agenda, including our various engagements, events and research publications. We will be introducing metrics to measure our impact and understand where the industry could be doing more; BritainThinks will undertake political sentiment analysis on views of the industry, as well as public polling to track wider perceptions. Through our Public Affairs Group, chaired by Jon Whitehouse of Barclays, we identified key outcomes for focus and agreed industry-wide key messages on the overall contribution of the industry to the country, its support for the economy during the pandemic and how it can continue to drive economic growth, which has been provided to senior leaders across our membership. We are also working with members to source case studies for use across our work.

Sustainability

Proactively engaged on UK Taxonomy and set out a roadmap for global progress on social standards through the IRSG ESG workstream. The taxonomy paper set out recommendations for reviewing the EU Taxonomy for UK application and considers its purpose and usability as well as the practical challenges of its implementation. The co-chair of this work, Elizabeth Gillam of Invesco, will represent the IRSG on HMG's recently established Green Technical Advisory Group. The IRSG report, 'Accelerating the S in ESG', supported by KPMG, recommended a global approach to social principles and standards, and work is now underway to take forward its recommendations with key stakeholders.

Collaborated with partners to work towards COP26, including the City of London Corporation and major sector trade associations. Alongside preparatory activity for the COP26 event, we have also had a strong focus on looking beyond COP26 and how we will engage with and take forward relevant discussions, commitments and recommendations.

Established our Green and Sustainable Finance Group to steer our work on sustainability issues, chaired by Anne Marie Verstaeten of BNP Paribas. Work in train includes the development of our new Green Finance report, in partnership with BNP Paribas, which will provide evidence for the UK's position as a centre for green finance and contain recommendations for policymakers and regulators on how this position can be enhanced. We have also begun work with Clifford Chance on a report that will examine how sustainability and FinTech intersect and how the UK can maximise the opportunities presented.

"The financial services industry [should look to] support the economy, businesses and the people of this country as we get back on our feet from the effects of Covid and transform the economy to support climate change. Fortunately, I know from many conversations that TheCityUK are up for the challenge."

Andrew Bailey, Governor of the Bank of England

Positioned London as a global green hub and sought international alignment on green and sustainable finance issues, advancing sustainability-related regulatory dialogues with trading partners such as Singapore, Japan, Switzerland, US, India, China and Kazakhstan. Sustainability workstreams have been increasingly prioritised across our various MAGs, with key themes including pursuing international consensus around green disclosure standards, advocating for more interoperability of green taxonomies, and working to build more integrated global green and sustainability markets so that the UK can position itself as a global hub for green finance and sustainability services. Our Switzerland MAG has been focused on priority issues in relation to green and sustainable finance, which were fed into HM Treasury's ongoing technical discussions with the Swiss government. Both governments have now agreed to

increase collaboration on the potential domestic implementation of the recommendations issued by the Task Force on Climate-related Financial Disclosures. As part of our work with the Astana International Financial Centre, we convened a group of UK and Kazakhstan practitioners, policymakers and regulators to share insights on green and sustainable finance – the outcomes of which were reported on at the UK-Kazakhstan Intergovernmental Commission.

Corporate strategy

Sustained high levels of member satisfaction in challenging times. Our 2020 Member Pulse survey, run by Kantar, saw member perceptions of our effectiveness and favourability towards us rise to 90% and 91% respectively. Our shift to online working was well-received, with 86% of members satisfied with how we adapted our programme into virtual forums. Perceptions of our engagement through the media to advance key debates rose 15% to 83%, and around nine in 10 members said we make a significant contribution to industry debates; have a positive influence on relevant policy and regulatory issues; and are strategically focused in the right areas.

Launched the Next Generation Leadership Council (NGLC), bringing together a group of high-potential future leaders from across the industry. Chaired by Sir Adrian Montague, the NGLC provides fresh perspectives, ideas and constructive challenge to our work and offers members strategic mentorship and cross-industry networking opportunities. The group is also taking forward its own work relating to three self-identified themes: sustainability, innovation and the future of the industry, and trust and reputation – all which link to our wider strategic priorities, and have been actively engaged in our senior committees, events and initiatives.

Delivered a strong events programme online, bringing members together with ministers, regulators, policymakers and other senior stakeholders. We delivered 267 events, including two major conferences, webinars and roundtables, which cumulatively attracted around 6,400 delegates. Our three-day virtual National Conference 2020, in partnership with BNP Paribas and supported by Yorkshire Building Society, BNY Mellon and DLA Piper was our first foray into online conferences and proved a great success in terms of the calibre of speakers, delegate numbers and the platform used to deliver the event. Similarly, our virtual Annual Conference 2021, in partnership with Citadel Securities and supported by Phoenix Group and PA Consulting, attracted strong attendance, a high-calibre line-up of speakers and generated positive feedback from sponsors and delegates alike. Engagement across our social channels in the lead-up to, during and following both of the conferences was high and media coverage was strong, appearing in outlets such as the Financial Times, Politico, Reuters and Bloomberg.



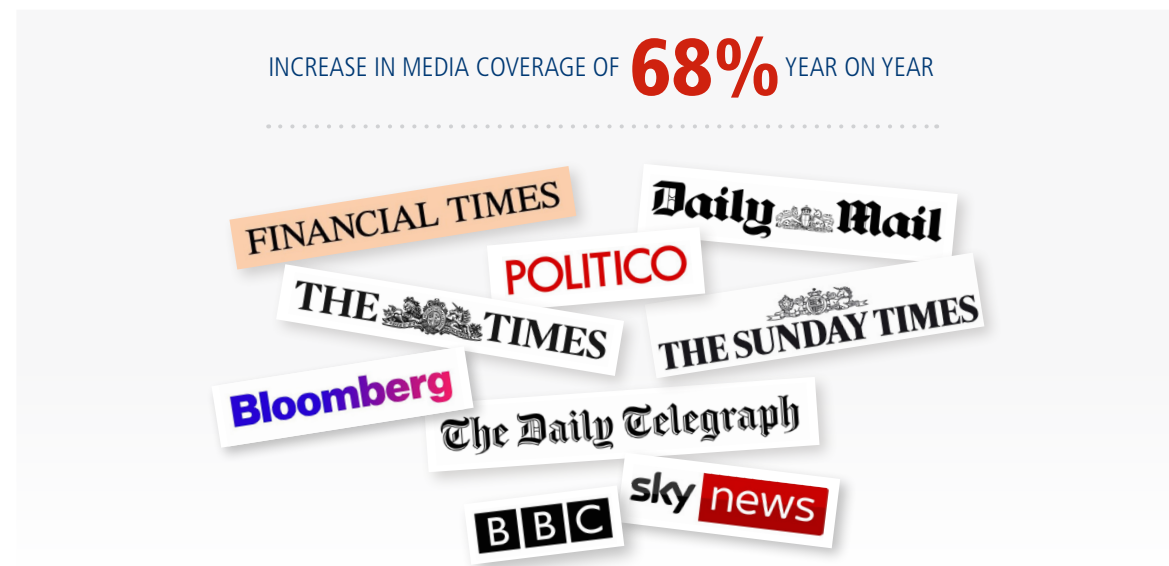
[Watch the sessions from our National Conference 2020 here](#)



[Watch the sessions from our Annual Conference 2021 here](#)

Embedded our close working relationship with the City of London Corporation, building on the ambitious partnership agreed in December 2019. Our strong collaborative approach and co-working across our senior committees and the IRSG has minimised overlap in our activities and strengthened the impact of our work delivered on behalf of the industry. We have also deepened our engagement and working relationship with the major sector trade associations, all of whom are represented across our full range of committees and consulted on ongoing activity. Our MoU with UK Finance underlines our commitment to collaboration across areas of shared interest. We continue to work closely with the Financial Services Skills Commission.

Further strengthened media profile and presence in regional, national and international outlets. Coverage has increased 68% across the year, with around 5,900 news pieces generated across 84 countries, including 10 front page news stories in the likes of the Financial Times, The Daily Telegraph, The Sunday Times and The Sunday Telegraph. Coverage has been driven by our commentary on key industry issues, topical events, and our own reports, events and activities, with particular focus over the year on the future UK-EU relationship, the economic impact of Covid-19 and progress on the UK's new independent trade policy. We have continued to enhance our social media activity, ensuring more consistency in posting and generating stronger engagement. Twitter followers are up 5% year on year; LinkedIn up 62%. We ran a series of virtual media roundtables towards the end of 2020, but have since paused the programme until we can meet again in person.



Strengthened our focus on diversity and inclusion (D&I). D&I is a board and organisational priority – our work is sponsored internally by the CEO and co-led by members of our Executive Team. Emma Reynolds, our Managing Director, Public Affairs, Policy & Research, was also appointed a member of the independent HM Treasury, BEIS and City of London Corporation socio-economic taskforce. Earlier this year we established a D&I Exchange, a digital forum for members, partners and stakeholders to share best practice, discuss ideas and progress initiatives across a range of collective priorities. We're also working closely with partners across the industry to amplify good work and collaborate. We introduced a commitment in all Terms of References of new groups that they should be representative of the diversity within the industry. Until recently, we worked closely with our long-term charity partner, The Brokerage, taking forward a range of activities, including a session with students about careers in the industry. We will shortly begin a new charity partnership and also continue to support All Stars London.

Continued to focus on our commitment to the Women in Finance Charter and became signatories of the Race at Work Charter. Our last submission to the Women in Finance Charter (September 2020) saw us fall just shy of our target to maintain at least a 40:60 female:male ratio across our senior management team, at 36:64. We will exceed this target when we report this year, with a 46:54 female:male ratio; our Executive Committee alone now being 75% female. As part of our signatory to the Race at Work Charter, we have implemented several initiatives in line with our commitments, including a commitment from the Board to zero tolerance of harassment and bullying, the introduction of blind CVs and ensuring our preferred panel of recruiters attract candidates from a broad range of backgrounds, and ensuring that supporting equality in the workplace is the responsibility of all leaders and managers. We have also started to collect ethnicity data. Of the 39 staff included in our data capture, 67% were from a 'white' background, 17% from a 'Black' or 'Asian' background, 3% each identified as 'Mixed-Asian', 'Mixed-Black' or 'Other', with 15% preferring not to say. This data will be used as an ongoing baseline. We also continue to be a Social Mobility Pledge accredited employer and supporter of National Numeracy Day. Internally, we have established a D&I Committee and continued to deliver our series of D&I training sessions.

"...London's most influential lobby group TheCityUK."

TheWashingtonTimes.com

Enhanced communication and clear focus on strengthening channels. In line with the recommendations from our strategic review, we have placed increased emphasis on communicating our outcomes and forthcoming activity to members, provided a broader suite of content around our reports for different channels and audiences, deployed more video across our social channels, taken a more sustained approach to marketing our work, and more systematically repackaged content developed across the organisation for wider audiences. Our approach to offering a

variety of content from our reports has seen engagement times on relevant pages of our website increase by around 300% compared to the average. We are also making good progress on upgrading our website and introducing a new marketing email system – both which will ultimately improve our future analytics and marketing activities.

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 2021		
Directors	Finance and Audit Committee	Remuneration and Nominations Committee
Omar Ali		✓
Edward Braham		✓
Miles Celic	✓	✓
Galina Dimitrova		
Huw Evans	✓	
John Heaps	✓	
Catherine McGuinness		✓
Sarah Melvin		
David Postings		
Dr Kay Swinburne		
Mark Tucker		✓
Rick Watson		
Jonathan Whitehouse		
Stuart Williams		
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
- membership
- financial reporting, internal controls, risk and capital management
- corporate governance, Board, and other appointments
- delegation of authority
- material contracts.
- structure
- management
- transactions
- remuneration and pensions
- policies

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 seven meetings during the year ended 31 March 2021. The table below shows the attendance of Directors at regular Board meetings and at meetings of the Board 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 2020 - 31 March 2021				
Directors	Date Appointed (A) or Resigned (R)	Regular Board Meetings	Finance and Audit Committee	Remuneration and Nominations Committee
Meetings Held:		7	4	1
Rajesh Agrawal	(R) 30 September 2020	2*	-	-
Omar Ali	-	7	-	1
Edward Braham	-	6	-	0
Miles Celic	-	7	4	1
Tracy Clarke	(R) 31 December 2020	3*	2	-
Galina Dimitrova	-	7	-	-
Huw Evans	-	7	-	-
John Heaps	-	7	3	-
Mark Hoban	(R) 1 July 2020	2*	-	-
Stephen Jones	(R) 18 June 2020	2*	0	-
Andrew Kail	(R) 30 June 2021	4	4	-
Sean McGovern	(R) 18 September 2020	4*	-	-
Catherine McGuinness	-	6	-	1
Sarah Melvin	(A) 1 May 2020	4*	-	-
David Postings	(A) 15 April 2021	1**	-	-
Mark Tucker	-	6	-	1
Rick Watson	(A) 3 June 2020	5*	-	-
Jonathan Whitehouse	-	7	-	-
Bob Wigley	(A) 01 July 2020 (R) 15 April 2021	2*	-	-
Sir David Wootton	-	7	4	-

*For part of the year under review only.

**Attended March 2021 Board meeting as an observer & subsequently joined the Board on 15 April 2021

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

O Ali	E C Braham
M Celic	G R Dimitrova
H D Evans	J R Heaps
A Kail	C S McGuinness
S L Melvin	D J Postings (appointed 15 April 2021)
Dr J K Swinburne (appointed 19 May 2021)	M E Tucker
R J Watson	J P Whitehouse
S G Williams (appointed 15 April 2021)	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 2021

The directors present their report and the financial statements for the year ended 31 March 2021.

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 profit for the year, after taxation, amounted to £434,474 (2020: loss of £134,794).

No dividends were paid or proposed during the year (2020: £Nil).

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:

O Ali	E C Braham
M Celic	G R Dimitrova
H D Evans	J R Heaps
A Kail	C S McGuinness
S L Melvin (appointed 1 May 2020)	M E Tucker
R J Watson (appointed 3 June 2020)	Sir D H Wootton
R Agrawal (resigned 30 September 2020)	T J Clarke (resigned 31 December 2020)
M G Hoban (resigned 1 July 2020)	S E Jones (resigned 18 June 2020)
S G McGovern (resigned 30 September 2020)	R C M Wigley (appointed 1 July 2020, resigned 15 April 2021)
J P Whitehouse	

Disclosure of information to auditor

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.

Auditor

The auditor, 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.



M Celic

Director

Signed on: 16 July 2021

Directors' responsibilities statement

for the year ended 31 March 2021

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 statement 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 2021

	Note	2021 £	2020 £
Turnover	2	5,957,329	6,187,822
Cost of sales		(741,426)	(866,533)
Gross profit		5,215,903	5,321,289
Administrative expenses		(5,031,628)	(5,394,143)
Operating (Loss)/profit	5	184,275	(72,854)
Interest receivable and similar income		3,732	9,455
Gain/(loss) on current asset investments	12	246,467	(71,395)
Profit (Loss)/before tax		434,474	(134,794)
Tax on profit	8	-	-
Profit/(Loss) for the financial year		434,474	(134,794)

There was no other comprehensive income for the year 2021 (2020:£nil).

The notes on pages 44 - 59 form part of these financial statements.

Statement of financial position as at 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	9	513,923	609,577
Investments	10	220	220
		514,143	609,797
Current assets			
Debtors: amounts falling due within one year	11	637,626	602,840
Current asset investments	12	1,071,142	838,938
Cash at bank and in hand		2,500,246	1,720,719
		4,209,014	3,162,497
Creditors: amounts falling due within one year	13	(2,710,811)	(2,212,422)
Net current assets		1,498,203	950,075
Total assets less current liabilities		2,012,346	1,559,872
Provisions for liabilities			
Other provisions	14	(25,500)	(7,500)
Net assets		1,986,846	1,552,372
Capital and reserves			
Retained earnings	15	1,986,846	1,552,372
Total capital and reserves		1,986,846	1,552,372

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:



M Celic

Director

Signed on: 16 July 2021

The notes on pages 44 to 59 form part of these financial statements.

Statement of changes in equity for the year ended 31 March 2021

	Retained earnings £	Total equity £
At 1 April 2019	1,687,166	1,687,166
Comprehensive income for the year		
Loss for the year	(134,794)	(134,794)
At 1 April 2020	1,552,372	1,552,372
Comprehensive income for the year		
Profit for the year	434,474	434,474
At 31 March 2021	1,986,846	1,986,846

Statement of cash flows for the year ended 31 March 2021

	2021 £	2020 £
Cash flows from operating activities		
Profit/(loss) for the financial year	434,474	(134,794)
Adjustments for:		
Depreciation of tangible assets	147,694	85,748
Interest received	(3,732)	(9,455)
(Increase)/decrease in debtors	(34,786)	276,429
Increase in creditors	498,389	68,104
Increase/(decrease) in provisions	18,000	(55,500)
Net fair value (gains)/losses on current asset investments	(246,467)	71,395
Net cash generated from operating activities	813,572	301,927
Cash flows from investing activities		
Purchase of tangible fixed assets	(52,040)	(638,417)
Sale of current asset investments	14,263	11,021
Interest received	3,732	9,455
Net cash used in investing activities	(34,045)	(617,941)
Net increase/(decrease) in cash and cash equivalents	779,527	(316,014)
Cash and cash equivalents at the beginning of the year	1,720,719	2,036,733
Cash and cash equivalents at the end of the year	2,500,246	1,720,719
Cash and cash equivalents at the end of the year comprise:		
Cash at bank and in hand	2,500,246	1,720,719

Notes to the financial statements for the year ended 31 March 2021

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 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.

2.3 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 the Company remains uncertain and as a result is unquantifiable at this stage.

In the short term the pandemic will impact the Company's revenues, since its 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 the Company's 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 the Company's members may face significant cost challenges in their own businesses and may be forced to review memberships. The directors 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.

2.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover 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 turnover 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. Accounting policies (continued)

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 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss 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.

2.7 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.8 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 profit or loss.

2.9 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 profit or loss for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.10 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.

2.11 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 profit or loss 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.

2.12 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 profit or loss 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. Accounting policies (continued)

2.13 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 un-listed 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 profit or loss.

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 a mortised 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.

2.14 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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.

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 are 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 do 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 2021, investments were valued at £1,071,142 (2020: £838,938), of which £246,467 was recognised as a gain during the year (2020: loss of £71,395).

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

Trade debtor recoverability

The trade debtors balances of £212,094 (2020: £290,386) 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 £25,500 (2020: £7,500) 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 19.

5. Operating profit/(loss)

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

	2021 £	2020 £
Depreciation of tangible fixed assets	147,694	85,748
Operating lease rentals	374,047	522,998
Pension costs	175,407	171,910

6. Auditor's remuneration

	2021 £	2020 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	15,785	12,920
Fees payable to the Company's auditor and its associates in respect of:		
Taxation compliance services	3,235	2,585
Other services relating to taxation	6,000	-
All other services	1,120	1,090
	10,355	3,675

7. Employees

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

	2021 No.	2020 No.
Average number of employees	41	40

The average number of directors who served during the year was 15 (2020: 18), 1 of which received remuneration during the year (2020: 1).

8. Taxation

	2021 £	2020 £
Total current tax	-	-
Total deferred tax	-	-
Taxation on profit/(loss) on ordinary activities	-	-

The Company has an unrecognised deferred tax asset of £144,166 (2020: £136,371).

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/(losses) on ordinary activities before tax at the standard rate of corporation tax in the UK of 19% (2020: 19%).

9. Tangible fixed assets

	Long-term leasehold property £	Fixtures and fittings £	Office equipment £	Total £
Cost				
At 1 April 2020	426,307	138,430	277,275	842,012
Additions	1,367	16,112	34,561	52,040
At 31 March 2021	427,674	154,542	311,836	894,052
Depreciation				
At 1 April 2020	17,763	24,542	190,130	232,435
Charge for the year	42,694	50,701	54,299	147,694
At 31 March 2021	60,457	75,243	244,429	380,129
Net book value				
At 31 March 2021	367,217	79,299	67,407	513,923
At 31 March 2020	408,544	113,888	87,145	609,577

10. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 April 2020	220
At 31 March 2021	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 2021 and the profit or loss for the year ended on that date for the subsidiary undertaking were as follows:

Name	Aggregate of share capital and reserves £	Profit/(loss) £
TCUK Trading Limited	(880)	21

11. Debtors

	2021 £	2020 £
Trade debtors	212,094	290,386
Amounts owed by group undertakings	5,703	728
Other debtors	-	52,211
Prepayments and accrued income	419,829	259,515
	637,626	602,840

12. Current asset investments

	2021 £	2020 £
Current asset investments	1,071,142	838,938

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 £898,827 (2020: £887,598). Fair value gains during the year are £246,467 (2020: losses of £71,395) and have been recognized in profit or loss as part of (gain)/loss on current asset investments.

13. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	368,767	133,816
Other taxation and social security	18,329	7,393
Other creditors	1,551,389	1,330,586
Accruals and deferred income	772,326	740,627
	2,710,811	2,212,422

14. Provisions

	Dilapidation provision £
At 1 April 2020	7,500
Charged to profit or loss	18,000
At 31 March 2021	25,500

15. Reserves

Retained earnings

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

16. 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.

17. 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 £175,407 (2020: £171,910). There were no outstanding contributions at the reporting date (2020: £Nil).

18. Commitments under operating leases

At 31 March the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	421,071	241,556
Later than 1 year and not later than 5 years	1,655,270	1,666,822
Later than 5 years	1,377,405	1,787,284
	3,453,746	3,695,662

19. Related party transactions

The Company received funding of £400,000 (2020: £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 (2020: £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 (2020: £100,000) from the City of London Corporation in relation

19. Related party transactions (continued)

to a contribution for rental expenses incurred by the Company. At the year end, an amount of £Nil (2020: £Nil) was outstanding.

During the year, the Company was invoiced £287,644 (2020: £94,473) by the City of London Corporation for rates and a small sponsorship event. At the year end, the Company was owed £Nil (2020: £15,120) which is included within debtors. At the year end, the Company owed £151,200 (2020: £Nil) which is included within creditors.

On 7 May 2020, the Financial Services Skills Commission Ltd was incorporated and subsequently renamed to Financial Services Skills Commission with TheCityUK being a founding member along with The Corporation of London with TheCityUK being registered as a person of significant control. The Financial Services Skills Commission is limited by guarantee. At the first Board Meeting on 15 May 2020 it was agreed that TheCityUK would cease to be a registered person of significant control once the founding members were appointed to the board. The founding members of the board were appointed on 23 December 2020 and the persons of significant control designation will now be removed. TheCityUK and Financial Services Skills Commission signed a Service Level Agreement to support the growth of the company by providing services to them at a nominal fee in lieu of paying a yearly subscription fee.

During the year, TheCityUK settled costs on behalf of Financial Services Skills Commission of £62,495 which was recharged at cost. At the year end, there was a balance on their account of £74,994 (including VAT) which is included in the 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 £1,323,342 (2020: £1,309,432), which includes amounts payable as severance to departing members of key management personnel.

20. Controlling party

The directors consider there to be no ultimate controlling party.

21. 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 2.3 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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www.thecityuk.com

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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