

Enabling growth and enhancing competitiveness

Annual report and accounts 2022-23



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 and internationally that drive competitiveness, support job creation and ensure long-term economic growth. The industry contributes 12% of the UK's total economic output and employs nearly 2.5 million people, with two thirds of these jobs outside London. It is the UK's largest net exporting industry and generates a trade surplus exceeding that of all other net exporting industries combined. It is also the largest taxpayer, and 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 2022-23



TheCityUK in numbers

“ TheCityUK has done an excellent job and the join-up in the UK across financial and related professional services is very good. ”

— TheCityUK member —



9 IN 10

members say that we are effective at advancing their interests**



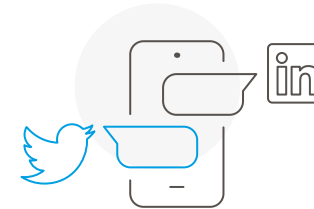
93%

of our members say we provide a voice for the industry**



4,000

print, online and broadcast news pieces across **100** countries*



19%

increase in followers on LinkedIn with over **1M** impressions across all social media channels*



94%

of our members say our objectives align with their interests and priorities**



Average email open rate of

30%[†]

a **14%** year-on-year increase*

[†]Industry average around 27%



264 events and meetings

with over **5,130** attendees

a **13%** year-on-year increase*



94%

of our members say we are effective at building and maintaining relationships with policymakers and officials**

*Data inclusive of the period from July 2022 – July 2023 | **Source: TheCityUK member survey 2023, run independently by Kantar

Board Chair's statement

The past 12 months have been pivotal for the UK, and the competitiveness of its financial and related professional services industry.

The domestic political uncertainty that characterised much of 2022 has started to clear, while the challenges of inflation and a volatile geopolitical environment continue to put pressure on the economy. The UK's competitiveness as a place to list, invest and scale-up growth businesses has also been much debated in this time. TheCityUK, together with others, has proposed and supported a broad range of reforms from the government to realise the ambition of retaining the UK's status as a world-leading international financial centre.

As we move forward, the next 12 months promise to be equally dynamic, marked by a pending general election and continued developments in both the domestic and international policy arenas. To ensure that the UK maintains its position as a globally-leading destination for capital, talent and investment, the industry, regulators, and government must become more aligned, fostering a clear and coherent policy environment in which the industry can most productively contribute to the country's prosperity.

Much can be achieved through cooperation, and it is here where TheCityUK is best positioned to add value.

The financial and related professional services industry is a fundamental pillar and important enabler of the UK's economy. It collectively contributes 12 per cent of the UK's total economic output, and with 47% of its exports originating outside London, it is truly a national industry. It employs one in every 13 people across the country, generating a trade surplus larger than that of all other net exporting industries combined. It is also a great British success story. The UK is the world's second largest exporter of financial services, and services exports overall, behind only the United States.

Beyond mere numbers, the industry also plays a vital role in transforming savings into productive capital, forging connections between individuals and companies through share ownership, whether directly or through their pensions and savings. It is also an enabler, stimulating new ideas and projects, directing funding towards enhancing productivity and nurturing innovation.

We must simultaneously build on our historic strengths and develop new expertise in the emerging fields that will shape the global economy for years to come – notably the digitalisation of financial and services industries, artificial intelligence, and green finance – to ensure our continued success as an international financial hub. The urgency of climate change underscores the industry's critical role in financing and enabling this transition.

Data and technology have a central role to play in the industry's future success and are vital to the growth of sectors

such as biotech and financial technology. The UK is host to the second largest FinTech cluster in the world, behind only the US, and is home for an enviable pool of world-class talent. However, both talent and technology are mobile. The right training and labour mobility regimes will incentivise research, development, and innovation. To stay ahead of the competition, the UK must remain a place where the world wants to come and work.

As part of this, we have focused on deepening our international relationships, forging ties with developing markets, and recognising the value of services to our economy. It will be important to look outward and learn from our peers in other large financial centres to examine new ways of aligning government, regulation, and industry approaches with positive results.

Drawing on the industry's regional strengths will help direct us towards these goals and I thank our network of Regional and National Chairs for the good work they do in championing the industry across the country. While London continues to be the UK's major financial hub, firms from across the industry have headquarters or major office bases in the regions and nations, providing highly-skilled jobs and making significant contributions to local economies. Scotland, for example, manages almost a fifth of UK-based funds and employs 136,000 in financial and related professional services, contributing more than £14 billion to its economy.

Much can be achieved through cooperation, and it is here where TheCityUK is best positioned to add value. TheCityUK represents a diverse industry, operating across against a changing policy backdrop, with a spectrum of different requirements. It provides a unique national forum where the private sector can help to pull these strands together. We remain focused on building on the progress we have already made with all our stakeholders on our common aim to enhance the UK's competitiveness.

This spirit of cooperation is also deeply embedded in TheCityUK's culture. In my first year as chair, I have been struck by the commitment and drive shown by the organisation's staff and am particularly grateful to Miles and his team for their warm welcome and collaborative working environment. I am also appreciative of the close working relationship with, and the support from, Bruce Carnegie-Brown as Chair of the Leadership Council, from the Board, our committee chairs and from members from across the country as we work to achieve the best outcomes for the people and sectors we serve and represent.

Anne Richards DBE

Board Chair, TheCityUK



Chief Executive Officer's statement

Over the past year, the wider social and economic context within which our industry operates has remained fraught. On the back of the Covid-19 pandemic, the economic fallout of Russia's war in Ukraine and a protracted period of domestic political instability, the macroeconomic backdrop has been challenging and the consequences have impacted people up and down the country.

Throughout this period, our industry has continued to play its role to support customers, enable the wider economy and drive economic growth. For our part, I am very proud of how colleagues at TheCityUK have adapted to these factors and continued to deliver on our key priorities for members. The anticipated General Election in 2024 has also framed our work, particularly over recent months. We have significantly increased our engagement with the Labour party as well as maintaining strong relations with government and the other major parties.

I am very proud of how colleagues at TheCityUK have adapted...and continued to deliver on our key priorities for members.

Ensuring the long-term competitiveness of the UK as world-leading international financial centre has remained a core pillar of our work. The government's reform agenda is a critical part of that, and we've been very engaged to ensure that industry priorities have been reflected, securing a series of key policy outcomes for members. This included us delivering key objectives in the Financial Services & Markets Act, which saw the secondary objective for growth and competitiveness preserved, greater regulatory accountability, transparency and scrutiny and the setting of measures to track this over time.

Following the signing of the Windsor Framework, we invigorated our EU work and across the year we have also played a key role in securing the renewal of the Services Mobility Agreement between the UK and Switzerland. Revitalising public equity markets has been a key priority, as has influencing the government's approach to digital assets. On both issues, we have convened members and set out industry priorities in response to relevant consultations.

Our campaign to change the Foreign Influence Registration Scheme (FIRS) in the National Security Bill was a major policy win for the industry. This activity saw us lead a coalition of members and industry partners to push for amendments to the Bill to be scaled back to avoid disincentivising investment into the UK.

We have continued to deliver on our ambitious international strategy, securing key outcomes for members despite the significant headwinds. This has included influencing government policy on mobility to improve the UK's attractiveness for investors, as well as minimising the impact on trade from the growing number of data localisation regimes. We've also helped to build the UK's reputation as an innovation hub by establishing and deepening FinTech linkages with key markets and been focused on strengthening our development work.

...we've been very engaged to ensure that industry priorities have been reflected, securing a series of key policy outcomes for members.

Our focus on increasing market access for the industry through ambitious and comprehensive free trade and trade policy agreements has remained a central tenet of our international work and our delegations to the US, India and other key markets have proven useful in progressing industry priorities with key stakeholders.

Promoting the role and contribution of the industry across the regions and nations of the UK has remained a key part of our agenda. I am very grateful for the excellent work delivered across the year by our network of Regional and National Chairs. They have been focused on deepening our engagement with local stakeholders and helping us to deliver key policy outcomes on key areas such as devolution and the apprenticeship levy. We have also been promoting the industry's role in addressing its skills supply and talent challenges – issues on which we've been working closely with the Financial Services Skills Commission as well as the new Yorkshire and the Humber Financial and Professional Services Skills Commission, which was spearheaded by one of our Board directors and Chair of YBS John Heaps.

The industry's role in enabling the net-zero transition has remained a key priority and I'm very proud of the work we've taken forward in this area. Alongside launching ground-breaking economic research on carbon markets in partnership with ICE, we've collaborated with PwC to set out an action plan for government to enable the industry to scale up its support for the transition and discussed industry priorities at COP27. We've also been clear with government about the need for the UK to remain an attractive market for green investment, an urgent priority following the introduction of the Inflation Reduction Act (IRA) in the US and set out bold proposals to drive investment attraction. Through the International Regulatory Strategy Group (IRSG) – our co-venture with the City of London Corporation – we have also taken forward important work mandated by the Financial Conduct Authority (FCA) to develop a globally consistent voluntary Code of Conduct for ESG data and ratings providers.

Delivering impact for members is underpinned by our ability to build and maintain relationships with policymakers, officials and regulators – something that 94% of members believe we were effective at in our latest member survey, conducted independently by Kantar. It was also great to see that 91% have a favourable opinion of the organisation overall, 93% believe it is moving in a positive direction and 93% feel that we are effective at providing a voice for the industry. Our continued ability to secure high-profile well messaged media coverage on key debates is also helpful in this regard.

As ever, building industry trust and reputation underpins everything that we do, and we have continued to bring members together with senior stakeholders across the year through our wide range of events and meetings. This has included the Chancellor, Economic Secretary to the Treasury (EST), First Minister of Scotland, Shadow Chancellor, and the US Ambassador to the UK, to name but a few. We delivered a very successful series of conferences across the year – our Annual, National and International conferences, each drawing upwards of 250 delegates. Our two major dinners – our Annual and inaugural Future Leaders' Dinners – each attracted strong attendance and were respectively addressed by the EST and Shadow Secretary for Business and Industrial Strategy and Shadow Secretary for Health and Social Care. I'm very grateful to all our conference and Dinner partners for their invaluable support.

Given we always put members at the heart of our work, it was positive that a record 94% said that their objectives and activities are aligned with ours.

Our member survey shows that members believe we are making good progress on our agenda (88%) and that our priorities remain focused in the right areas (91%). Given we always put members at the heart of our work, it was positive that a record 94% said that their objectives and activities are aligned with ours. We have also continued to invest in deepening and strengthening our collaboration with partners across the industry, in particular with colleagues at the City of London Corporation, the trade associations and SFE.

We are very fortunate to have such highly-regarded and respected practitioners chairing both our Board and Leadership Council. Anne Richards DBE of Fidelity International and Bruce Carnegie-Brown of Lloyd's have respectively made an outstanding contribution during the first year of their terms. Alasdair Haynes of Aquis Exchange has similarly made a great impact as Chair of our Business Council, and I'm delighted to welcome Farmida Bi of Norton Rose Fulbright as the new chair of our IRSG Council. I of course remain grateful to our Board directors and members of our Leadership Council for their continued support, guidance and engagement with our work.

I would also like to underline my sincere thanks to the team at TheCityUK who continue to approach our work with great enthusiasm and energy, deliver strong outcomes for members and make the organisation a great place to work.



Miles Celic

Chief Executive Officer, TheCityUK



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Our strategic priorities



Our work is focused on the priorities of our members and where our cross-sectoral remit can add the most value to the wider financial and related professional services ecosystem. These are: long-term competitiveness; international; UK regions and nations; industry trust and reputation and green and sustainable finance. As part of our work, we produce and deliver a wide range of research, thought leadership and insights that help shape key debates and influence policy for UK-based financial and related professional services.

Trust and reputation

Significantly increased political engagement with the four main parties ahead of a likely general election in 2024 – convening key ministers, MPs, advisers and peers with members to discuss critical industry issues. Our ‘General Election’ series of events, in partnership with Aquis Exchange, have provided useful forums to discuss the parties’ economic priorities, with members so far meeting with Sarah Olney MP, Liberal Democrat spokesperson for Treasury and Business and Industrial Strategy and Greg Hands MP, Chairman of the Conservative Party.

Deepened engagement with ministers and officials across key departments, including convening members with the Chancellor for an Extraordinary Leadership Council and productive roundtable at 11 Downing Street. We regularly meet with the EST bilaterally and through our major events, meetings and conferences – he also has a standing invite to our Leadership Council meetings. We’ve been actively engaged with key ministers and officials across HM Treasury (HMT), the Department for Business and Trade (DBT) and the Foreign, Commonwealth & Development Office (FCDO) to progress our programme of work, and continued to build relationships with prominent SNP politicians in Westminster and the First Minister, Humza Yousaf MSP.

Engaged with and fed into the Labour Party’s policy development, responding to policy reviews on the ‘everyday economy’, international trade and sustainability as well as their review of business taxation. We’ve held several roundtables with the opposition, including one with Shadow Chancellor, Rachel Reeves MP, Shadow Business Secretary, Jonathan Reynolds MP, and Shadow Work and Pensions Secretary, Jonathan Ashworth MP to discuss unlocking investment to drive growth and pension savings. We have built strong relationships with key members of Labour’s shadow cabinet, the Shadow EST and their teams, offering briefings on key industry issues and priorities.

TheCityUK does excellent work in representing the interests of the UK-based financial and related professional services industry, and I am grateful for their insight and collaboration as Shadow Economic Secretary. In particular, their work on the Financial Services & Markets Act was incredibly valuable and I appreciated their efforts to drive cross-party consensus on key issues like competitiveness and regulatory accountability.

Tulip Siddiq MP, Shadow Economic Secretary to the Treasury



Roundtable with Shadow Chancellor, Rachel Reeves MP, Shadow Pensions Secretary, Jonathan Ashworth MP and Shadow Business Secretary, Jonathan Reynolds MP

Successfully pressed government to broaden its approach to business engagement beyond the ‘B5’ and are joining sectoral briefings on relevant issues to ensure members’ perspectives are shared. Our Board Chair and CEO also discussed the industry’s role in growing the economy with government ministers and business leaders at the Prime Minister’s Business Connect Conference.

Delivered a successful programme of events at the major Party Conferences, including at the Conservative, SNP and Labour Conferences. At the Labour Party Conference, we co-sponsored the New Statesman Drinks Reception and hosted a fringe event with the Shadow EST, Tulip Siddiq MP, a member of the Treasury Select Committee, Rushanara Ali MP and others focused on the industry’s enabling role in driving growth. We held a similar fringe event with Theresa Villers MP, economist Gerard Lyons and others at the Conservative Party Conference, and also co-sponsored the 1922 Committee Drinks Reception, which saw our CEO share a stage with the Prime Minister. Alongside the City of London Corporation, we hosted a fringe event at the SNP Conference with Scottish industry on sustainable finance, including an address from Cabinet Secretary for Net Zero, Energy and Transport, Michael Matheson MSP. All events offered excellent opportunities to engage with key political stakeholders and senior representatives from across the industry.

Brought together around 230 senior members, policymakers, industry stakeholders and media for our 2023 Annual Dinner, in partnership with Shearman & Sterling. Guests heard speeches from EST, Andrew Griffith MP, Shadow Business Secretary, Jonathan Reynolds MP and our Board Chair, Anne Richards DBE. Feedback from guests was very positive and the speeches generated significant media coverage.



Andrew Griffith MP, Economic Secretary to the Treasury, addresses guests at TheCityUK Annual Dinner 2023

Held our first, and very successful, Future Leaders' Dinner, in partnership with Mayer Brown, bringing together members of our Next Generation Leadership Council (NGLC), other future leaders from across the industry and policymakers. Guests heard speeches from Shadow Health and Social Care Secretary, Wes Streeting MP, our Leadership Council Chair, Bruce Carnegie-Brown and closing remarks from NGLC member and Freshfields Bruckhaus Deringer Partner Emma Rachmaninov.



Wes Streeting MP, Shadow Health and Social Care Secretary, addresses a packed room at our inaugural Future Leaders' Dinner

Launched key economic research, including the annual 'Key facts about the UK as an international financial centre' and 'Key facts about UK-based financial and related professional services' reports. Both continue to be a great resource of facts and data on the industry generating widespread media coverage and producing valuable insights used across the industry and reflected back by policymakers, including those such as 'nearly 2.5 million people in the UK work in financial and related professional services, with two-thirds based outside London' – a fact used by the Chancellor in his most recent Mansion House speech.

Long-term competitiveness

Set out the industry's priorities for growth and underlined its enabling role across the economy in our 'Six-point plan for growth', published following the appointment of Rishi Sunak as Prime Minister. This plan, which focused on how industry can work with government and the regulators to drive economic growth and UK competitiveness, has formed the basis of other HMT submissions, including priorities for the Spring Budget and Autumn Statement.

Delivered a sustained and successful campaign on the Financial Services and Markets Act with clear priorities to ensure that the new secondary objective for growth and competitiveness was preserved and that regulatory performance was improved through greater regulatory accountability, transparency and scrutiny, with appropriate measures to track this over time. The campaign on this historic and important piece of legislation included a continued period of engagement with members, government, the opposition and senior stakeholders during its passage through parliament. Our objectives were realised, with the Bill being significantly amended to enable more robust regulatory reporting and enhanced powers for government and parliament to hold the regulators to account. Government also responded to our recommendation to formalise the process of creating KPIs for the FCA and PRA by launching a 'call for proposals' inviting feedback from industry. Overall, these successes represent a great outcome for our industry.

I pay tribute to Miles Celic at TheCityUK [and others]...They were instrumental in the constructive dialogue with Treasury officials to ensure that the policy that we arrived at [in the Financial Services and Markets Bill] met the needs of this complex industry...

Rt Hon John Glen MP, Chief Secretary to the Treasury, Financial Services and Markets Bill 2nd reading debate, House of Commons

Successfully campaigned to change the Foreign Influence Registration Scheme (FIRS) in the National Security Bill by leading a coalition of members and industry partners to coordinate our response. Amendments were passed to scale back the FIRS, a major change in policy, which overturned previous amendments introduced to the Bill by the government in late 2022. These amendments would have placed onerous restrictions on non-UK entities and would ultimately have disincentivised investment in the UK. Following Royal Assent, the Home Office will convene expert panels to look at guidance, particularly to define 'relevant activity'. We were invited to take part in those panels and it is currently expected that the FIRS will come into force in 2024 at the earliest.

TheCityUK has great convening power across financial and {related} professional services and is increasingly effective at representing its members with government, opposition and other agencies.

TheCityUK member

Delivered our best-ever-attended Annual Conference in London focused on the industry's role in driving growth and competitiveness. Sponsored by Citadel Securities and DLA Piper, we welcomed more than 350 delegates and a fantastic line-up of speakers, including EST Andrew Griffith MP; Shadow EST Tulip Siddiq MP; Executive Director of Consumers and Competition at the FCA Sheldon Mills; and our Leadership Council Chair Bruce Carnegie-Brown. We also held a series of engaging panel discussions with senior practitioners and stakeholders on key industry issues. Bloomberg Radio broadcast live from the event during the morning, interviewing keynotes, streaming the first panel live on air and promoting the event in the lead up. Media coverage from the event was very good and broad, driven by both the panels and speeches.



A packed room watch one of the panel sessions at our 2023 Annual Conference

Continued to deliver impact through our Legal Services Group, chaired by James Palmer of Herbert Smith Freehills, across a range of key issues including work on the changes to the FIRS for our industry and responding to the Ministry of Justice's consultation on the UK's ratification of the Hague Convention. We have worked in collaboration with our members and other industry trade associations to help improve the implementation of the UK's sanctions on Russia and to address industry concerns about the Retained EU Law Act.

Pressed the importance of maintaining the international competitiveness of English law and the UK's legal sector. We engaged with many of the UK government's ambassadors, trade commissioners and trade envoys to discuss how to promote UK legal services overseas, including at an event co-hosted with the Ministry of Justice and Slaughter and May. Our annual 'Legal Excellence, internationally renowned' report generated strong engagement from government and targeted media coverage. We continue to strengthen engagement with senior ministers and legal services stakeholders, including with the Lord Chancellor, the Minister for Legal Services, the Master of the Rolls, Lord Chief Justice, and Chief Executive of the Solicitors Regulation Authority.



Sheldon Mills, Executive Director of Consumers and Competition at the FCA, is interviewed by Bloomberg Radio at our 2023 Annual Conference before delivering a keynote speech

TheCityUK brings the power of the whole sector to impact better policy outcomes for the UK and the sector.

TheCityUK member

Identified recommendations for improving regulatory efficiency in our report 'Improving regulatory efficiency on authorisations'. The report highlighted the potential long-term impact on UK competitiveness when regulatory financial authorisations are slow, inefficient and unpredictable. Senior representatives from the FCA, PRA and member firms joined the launch event for a productive discussion on areas where industry and regulators could work together to improve efficiency. The report was also well received by Andrew Griffith MP, noted in debates on the Financial Services and Markets Act in the Lords, and generated widespread media coverage.

Engaged extensively with HMT, regulators and members through the IRSG, in collaboration with the City of London Corporation, to inform and influence the approach to building a new 'Smarter regulatory framework' for financial services, to replace repealed EU rules. We established a cross-industry group of experts and held multiple group meetings with Treasury and regulators, to inform and respond to Treasury publications as part of the December 2022 'Edinburgh Reforms' and the July 2023 'Mansion House Reforms'.

Presented cross-industry views on the Senior Managers and Certification Regime to HMT and the regulators, in response to parallel consultations on how to evolve the regime. We identified aspects of the regime that are working well and achieving the intended impact and highlighted aspects of the regime that are negatively impacting UK competitiveness. We also made recommendations for streamlining its scope and speeding up approvals.

Developed and submitted recommendations on how to revitalise public equity markets ahead of the Chancellor's 2022 Autumn Statement. Building on the Spring Budget, these focused on better engagement with companies, increasing institutional capital flows into domestic public equities, ensuring a market that delivers liquidity, encouraging greater retail participation, repositioning growth exchanges, improving engagement between companies and investors and shifting the negative narrative around UK capital markets. We also influenced the interim report of the Digitisation Taskforce, chaired by Sir Douglas Flint, setting out key principles that should be adhered to modernise the UK's shareholding framework. Work continues to steer the output of the final report.

Influenced the government's approach to digital assets through targeted stakeholder engagement and responding to key consultations. We responded to the Digital Pound consultation, the regulatory approach to cryptoassets and researched the use cases of distributed ledger technology beyond crypto. Messaging and advocacy has been focused around a set of key principles: that digitised or tokenised assets do not have greater regulatory burden than their current equivalents, that these regimes seek international alignment and cooperation given the global nature of these assets, and that policymakers learn from the EU's Markets in Cryptoassets regulation (MiCA). We submitted an analysis of MiCA to regulators and HMT in anticipation of these consultations and were pleased to see the government's approach broadly in line with member views.

Pressed the industry's tax policy positions, developed through our Tax Group, calling for a clear, stable, predictable, and internationally competitive tax regime. Our priorities are to reduce the unnecessary complexity of the UK tax regime, the overall effective tax rate for banking, and to provide international investors with increased clarity and certainty of the tax implications of investment into the UK. We have responded to government consultations on OECD Pillars I & II and, in collaboration with our Capital Markets Group, have developed tax proposals to help improve inward investment into the UK. The Tax Group has met with Ministers and officials at HMT and HMRC and will continue to engage with policymakers to influence the political debate around taxation of our industry ahead of the next UK general election.

International

Progressed our 'International Strategy' into its second year. Our focus has been on delivering further progress on the goal of making the UK the leading international financial centre by 2026, through both short-term wins and longer-term solutions. There have been significant headwinds from the Ukraine war, the continuing rise of economic protectionism globally, growing tensions between China and the US, and domestic political instability which have acted as a dampener on investment. Despite these challenges, some strong progress has been made in several key areas.

Influenced government policy on mobility, with the UK government accepting our recommendations on the need to improve short-term business mobility and announcing changes to the business visitor definitions of permitted activity. This has been a key issue for international companies operating in the UK and will improve the UK's attractiveness for investment. Further work is underway to inform the implementation and press for further reforms.

Positioned the UK as a thought leader on global issues through our second International Conference, sponsored by Freshfields Bruckhaus Deringer, HSBC and State Street. The event attracted around 300 delegates, including international delegations from the World Alliance of International Financial Centres (WAIFC), India, Singapore and Japan. Keynote speakers included our Board Chair Anne Richards DBE; HSBC UK Bank Plc CEO Ian Stuart; Minister for Investment Lord Johnson of Lainston CBE; and Shadow Secretary for International Trade Nick Thomas-Symonds MP. The panels sessions covered trade and investment trends, the transition to net zero, and the industry's role in supporting global innovation and the event attracted widespread media coverage.

I am continually impressed by the quality of the conferences - both in content and speakers and organisation.

TheCityUK member



Panel session at our 2023 International Conference

Presented a bold new investment strategy for the UK that recognises the changing drivers for Foreign Direct Investment (FDI) in a report with Freshfields Bruckhaus Deringer, 'Driving UK growth: Capturing future international investment in a rapidly changing world'. This fed into the Harrington review to attract FDI into the UK and other consultations considering the UK's attractiveness as an investment location.

Highlighted the UK's position as the Western hub for Islamic finance through our report 'Islamic finance: global trends and the UK market 2022' and shaped government policies impacting on Islamic consumer loans.

Reinvigorated our Europe engagement following the signing of the Windsor Framework, establishing a new Europe Market Advisory Group (MAG) to advise on strategy, with support from the IRSG EU Regulation Committee on technical issues and from the Anglo-European Financial Services Dialogues with Germany, France, Italy, Netherlands and Ireland on Member State engagement, all in close cooperation with the City of London Corporation and other trade association partners. The Swiss MAG played a key role in securing the renewal of the Services Mobility Agreement between the UK and Switzerland and coordinated industry consultation on the Swiss Mutual Recognition Agreement as it moves to its final stages.

Secured increased regulatory cooperation through our work with plurilateral and bilateral partners, including hosting the Board of the WAIFC, a delegation of officials and regulators from India for the UK-India Financial Markets Dialogue, a delegation from Singapore for a sustainable finance roundtable in support of the 8th UK-Singapore Financial Dialogue, plus delegations from Uzbekistan, Bahrain, Turkey, Vietnam, Japan, South Korea and many other countries looking at how to collaborate on regulatory reform.

TheCityUK enables introductions with key stakeholders in trade bodies and regions around the world where the UK can benefit from doing business.

TheCityUK member

Brought together our industry in support of the reconstruction of Ukraine, working with the FCDO Taskforce to use member expertise to address issues such as war insurance. We also supported and spoke at the Women in Business Forum at the Ukraine Recovery Conference, signed the Ukraine Business Compact to signal our support to playing a part in rebuilding a stronger, more resilient Ukraine and, when the time is right, to share our expertise in rebuilding the Kyiv financial centre and forging new partnerships.

Pushed for increased market access for the industry through ambitious and comprehensive FTAs and trade policy agreements. Through several visits to the US we advocated for improved digital trade arrangements with key US-based stakeholders; discussed support for the ongoing UK-India FTA negotiations and other market access issues with Indian officials, regulators and key senior business counterparts during visits to India; completed a mission to Israel to shape early thinking about the FTA; and travelled to the UAE to explore how to improve market access across the region and bilaterally with key markets such as the UAE and Saudi Arabia.



Miles Celic, CEO, TheCityUK, joins a member roundtable at Nasdaq in New York

Developed the UK as a global hub for innovation through our work on FinTech linkages and data localisation. We partnered on a FinTech Innovation workshop with the UK Swiss Trade Envoy, Innovate Finance, Innovate UK and our Swiss partners economiesuisse, Innosuisse and the Swiss Fintech Association to create new research collaborations across key industries under the UK-Swiss Science Agreement with the grant call receiving over 100 applications. We worked with HMT, the UK High Commission, the FCA, the Monetary Authority of Singapore and Enterprise Singapore to introduce Singapore FinTechs to our members under the UK-Singapore FinTech Bridge, and discussed how the Bridge can support greater two-way trade and investment

flows. Through the India-UK Financial Partnership (UKIFP) we outlined a range of practical recommendations to link our two FinTech ecosystems in our 'Harnessing the power of FinTech and data' report presented to both governments. We also worked with the Nigeria Central Bank, EnterpriseNGR, the Nigerian FinTech Association, the UK Government and members to develop a roadmap for the implementation of their FinTech ecosystem, and worked with the Central Bank of Azerbaijan on their transition to a digital finance ecosystem.

Worked across multiple markets to minimise the impact on trade from the growing number of data localisation regimes, especially in markets such as the EU, India, Indonesia and the UAE – particularly key given 85% of exports in our industry are digitally delivered. Working closely with members, we set out how data is moved between jurisdictions, why and what happens to it as well as the implications of increased data localisation on anti-money laundering, cybersecurity and financial inclusion. We also submitted recommendations to international and local consultations, together with the IRSG Data Committee.

Helped members navigate the increasingly volatile and uncertain global operating environment through our speaker series on geopolitical risk, hosting leading diplomats such as Jane Hartley, the US Ambassador to the UK, and providing debriefs for members from our visits and meetings on geopolitical trends, trade, economic security, and the role that government and business can play in achieving net zero.



Extraordinary Leadership Council with the US Ambassador to the UK

Regions and nations

Reinforced the contribution and enabling role of the industry across the UK's regions and nations

and set out recommendations for how the industry can further support growth across the country through the latest iteration of our 'Enabling growth across the UK' report. The publication has been an important piece of collateral for engaging with key policymakers and stakeholders. We also used it with MPs at our Parliamentary Reception in Westminster and in personalised communications highlighting data about the industry jobs within their constituency, which many found very useful. The data and content from the report underpinned our party conference programme and continues to be well referenced by policymakers and stakeholders.

Published the latest version of our 'Exporting from across Britain' report, which explores the significant contribution Britain's regions and nations make to overall UK industry export activity, showing that over 40% of Britain's industry exports originated outside London in 2020.



Rt Hon Nicola Sturgeon MSP, former First Minister of Scotland, speaking at our National Conference

Delivered a successful National Conference in Edinburgh partnership with SFE and sponsored by PwC and State Street. We welcomed around 260 delegates who heard speeches from EST Andrew Griffith MP, the Labour Leader in Scotland Anas Sarwar MSP, and the Rt Hon Nicola Sturgeon MSP, former First Minister of Scotland. We also ran a series of panel discussions on levelling up, trust and reputation, diversity and skills, and the green agenda one year on from COP26. The event was also a great opportunity to bring together our Regional and National Chairs to discuss progress made across our regions and nations programme and future priorities.

Appointed four new Regional and National Chairs in Yorkshire and the Humber (John Walsh of Marsh), Wales (Tom Bray of Eversheds Sutherland), the North West (Lyndsey Fallon of Deloitte) and the North East (Jerry Arneja of HSBC UK) to our Chairs' network to help drive forward local stakeholder engagement and collaboration and to foster stronger links between the UK's financial centres. This key group of senior leaders are based in industry hubs throughout the country and their insight helps to shape our policy positions, such as the recommendations of our annual 'Enabling Growth Across the UK' report and our response to the government's Levelling Up and Regeneration Bill.

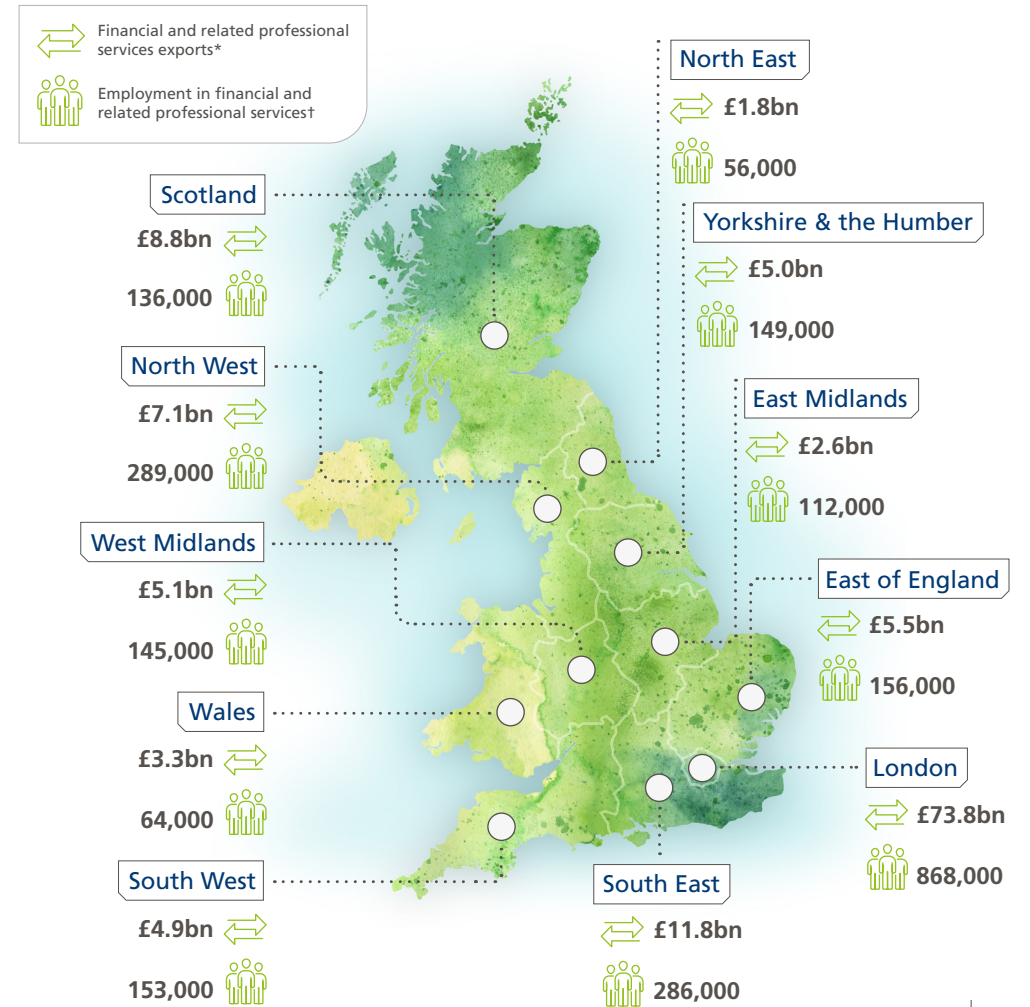
TheCityUK is good at understanding the importance of the decentralisation of professional and financial services in the UK, supporting the regions and advocating for levelling up.
TheCityUK member

Continued to strengthen engagement with influential leaders across the UK's regions and nations, with the support of our Regional and National Chairs and through meetings, roundtables and discussions. We have been bolstering engagement with the Metro Mayors, holding events with Conservative Mayor of the West Midlands Andy Street; Labour Minister for the Economy in Wales Vaughan Getting MS; and Labour Mayor of South Yorkshire Oliver Coppard, with others in the diary for the coming months. We've also met with Shadow Levelling Up Minister Alex Norris MP; and Chair of the Northern Research Group of Conservative MPs John Stevenson MP. These events have been helpful to press the industry's priorities in areas such as skills, levelling up and devolution. We continue to build and enhance these important relationships as we approach the May 2024 Mayoral Elections.

Successfully secured the adoption of critical policy recommendations in relation to devolution and apprenticeships. Set out in our annual 'Enabling growth across the UK' report, these policy outcomes have included ensuring more consistency and accountability in English devolution, greater local control over skills policy and funding and a significantly enhanced role for metro mayors in trade promotion in their regions. Our engagement with Labour MPs, shadow ministers and advisers saw the party announce that they will reform the Apprenticeship Levy to create a wider Training and Skills Levy, should they form a government at the next election.

Promoted the industry's role in addressing skills challenges and to ensure a strong pipeline of talent. Alongside building on our work with the Financial Services Skills Commission to advocate for the reform of the Apprenticeship Levy, our CEO focused on the industry's skills and talent agenda when he gave oral evidence to the then Business, Enterprise and Industrial Strategy Select committee, which was noted in its final report. We've also partnered on an initiative led by Yorkshire Building Society to explore and address the skills challenges for the industry in the Yorkshire and the Humber.

Financial and related professional services exports and employment by region and nation



*Latest available data for 2020 | †Latest available data for 2021

Green finance and sustainability

Set out and promoted with key stakeholders a 10-point action plan on how the industry can support and enable the transition to net zero in our ‘Enabling the net zero transition’ report with PwC. The report also details a series of policy to facilitate collaboration between industry and government in the drive to net zero asks and we continue to engage with senior stakeholders and policymakers to move this forward.

Published ground-breaking new research on carbon markets in our ‘Global carbon pricing mechanisms and their interaction with carbon markets’ report with ICE. The report presents an overview of carbon markets, including the underlying principle of carbon pricing; and quantifies various mechanisms to give a sense of the scale of the market and how it has grown in recent years. It also looks at the opportunity for the financial and related professional services industry to play a leading role in these markets’ ongoing development. Work is underway to develop policy position on carbon markets as well as on biodiversity and natural capital – an area of increasing interest and priority for members.



Emma Reynolds, Managing Director, Public Affairs, Policy and Economic Research, TheCityUK, speaking at the launch of our ‘Global carbon pricing mechanisms and their interaction with carbon markets’ report launch in partnership with ICE

Put forward a series of recommendations to Government on how to respond to the Inflation Reduction Act (IRA) in the US, which unveiled \$369bn of subsidies for US green infrastructure projects.

We recommended that government more clearly set out its long-term net zero policy and commit to tackling bottlenecks to drive action across the whole economy, while ensuring we have a competitive tax and regulation system, and working with the private sector to de-risk long-term investment into green infrastructure and technology in the UK. Our recommendations include action in three key areas: long-term policy, long-term certainty and nurturing competitive advantage and we have been engaging policymakers on these ahead of the Autumn Statement.

The financial and related professional services industry has a key role to play in driving the transition to net zero. The Environmental Audit Committee has worked on various strands of green finance and the productive discussions I have had with TheCityUK and their members, including at the launch of their Carbon Markets Report, have shown how seriously they take this work.

Philip Dunne MP, Chair of the Environmental Audit Committee

Fed industry priorities into the government’s Green Finance Strategy, through our Green and Sustainable Finance Group (GSFG), chaired by Anne Marie Verstraeten of BNP Paribas. Following its launch in March, we have been working closely alongside the International Regulatory Strategy Group (IRSG) ESG Committee and members of the GSFG to respond to the strategy and agree the various consultations and calls for evidence that are priorities for us to address.

Supporting the development of a voluntary Code of Conduct for ESG data and rating providers through the IRSG and in collaboration with the International Capital Markets Association (ICMA). The IRSG and ICMA are providing the secretariat for the FCA mandated ESG Data and Ratings Code of Conduct Working Group (DRWG) and developing a comprehensive, proportionate and globally consistent voluntary Code of Conduct. The DRWG has launched a consultation to gather stakeholder insights to aid with its further development and work will continue over the coming year.

Attended COP27 in Egypt as part of the UK business mission organised by the Egyptian British Chamber of Commerce (EBCC) and British Egypt Business Association (BEBA) to discuss the industry’s role in enabling the transition to net zero and meet with senior stakeholders. We will be attending COP28 in the UAE later this year to continue those conversations, press industry priorities and underline its important role in the drive to net zero and the UK’s status as a leading centre for green and sustainable finance. We are engaging with members, embassies and the UK government to ensure a coordinated approach, have partnered with the Global Ethical Financial Institute on their Path to COP28 programme, and are working with the WAIFC on a possible blue zone event to showcase how the industry is supporting the green transition.

Corporate activity

Maintained a strong media profile and presence in regional, national and international outlets on key issues, debates and current affairs. Coverage has remained relatively consistent with the previous year, with well over 4,000 news pieces generated across 100 countries. This has included seven front-page news stories in the likes of the Financial Times, The Daily Telegraph, City A.M. and The Guardian and over 100 broadcast mentions across outlets such as Bloomberg Radio and TV, Sky News, BBC Radio 4, and local BBC radio stations. Coverage generated was largely driven by reaction to or commentary on key industry issues and topical events, as well as our own reports, events and activities, with particular focus on our international work, UK competitiveness and the government's reform agenda, capital markets, the industry's value and contribution and its role in driving the net-zero transition. We have continued to enhance our social media activity, ensuring more consistent posting and increasing engagement, which has helped to drive an uplift in followers on LinkedIn - our most targeted and useful channel for engagement.



Miles Celic, CEO, TheCityUK, speaking on Bloomberg TV

Brought together members with senior journalists through our media dinner programme, to discuss topical industry news and current affairs in a Chatham House setting. Guests over the year have included Martin Wolf, Chief Economics Correspondent at the FT; Katherine Griffiths, City Editor at Bloomberg; Laura Noonan, Financial Regulation Editor at the FT; Ruth Sunderland, Group Business Editor at the Daily Mail; Helen Thomas, Business Columnist at the FT; and Simon Jack, Business Editor at the BBC.

OVER **4000** NEWS PIECES ACROSS **100** COUNTRIES



Delivered a broad and extensive programme of events, bringing members together with ministers, regulators, policymakers and other senior stakeholders. Overall, we delivered 264 events and meetings, a 19% increase from the previous reporting period, including three conferences (Annual, International and National), two large dinners (Annual Dinner and Future Leaders' Dinner) a series of roundtables aligned to our strategic priorities and networking opportunities, which cumulatively attracted over 5,130 attendees, a 13% uplift on last year.

TheCityUK delivers excellent, informative and engaging events with high-profile speakers.
TheCityUK member

Continued to grow our membership, welcoming several new members to the organisation across the year. Revenue from membership fees increased 10% to just under £6.5m with growth across all six of our membership levels – Platinum, Gold, Silver, Bronze, SME and Industry Partner. Our Bronze-level membership experienced the largest growth with revenue at this level increasing by 24% - a positive sign that broadening our membership offer has attracted more small and medium-sized firms into membership.

TheCityUK is good at stakeholder and member engagement. [They] ensure that all members, irrespective of size of business, have engagement and the opportunity to connect and participate in themes of work and initiatives that are relevant to them.

TheCityUK member

Maintained high levels of member satisfaction with a retention rate of 96% - just over our 95% target, and received positive feedback in our 2023 member survey, conducted independently by Kantar. Member satisfaction remains very high, with over nine in 10 (91%) members having a favourable opinion of the organisation and 94% saying that our objectives align with their interests and priorities – a record high. They overwhelmingly recognise that we provide a voice for the industry (93%) and are effective at building and maintaining relationships with policymakers, regulators and officials (94%) and that we excel at convening all parts of the industry to influence those stakeholders. Around 9 in ten members believe our priorities remain focused in the right areas (91%) and that we’re making good progress on our agenda (88%) and that the organisation is moving in a positive direction (93%).

Gathered strong momentum in our Next Generation Leadership Council (NGLC). Members have continued to convene around a series of priorities, feeding in perspectives to our ongoing activity and engaging across our wider programme of activities, including joining panels at our conferences, attending senior committee meetings and Leadership Councils and discussing critical industry issues with the Board ahead of our Board Strategy Away Day. Building out networks and broadening perspectives remains a key priority, and is being delivered through various events, sessions with Leadership Council members, and through bringing in industry stakeholders to NGLC meetings. Our NGLC alumni has proven a useful way of continuing to engage members who have completed their terms. Our bespoke course, developed with the Moller Institute at Cambridge University, for NGLC members on leadership will be rolled out before the end of 2023.

Continued to focus on embedding diversity, equity and inclusion across the organisation and through our work. We have expanded our Diversity, Equity and Inclusion (DE&I) Exchange, bringing members together with leading practitioners in areas such as neurodiversity, socio economic mobility and LGBTQI to discuss ways

of engaging staff, addressing barriers and enabling businesses to benefit from greater diversity at all levels of the organisation. We have also continued our representation on the Socio Economic Taskforce, sponsored by government and run by the City of London Corporation, to its conclusion in November when it agreed a series of recommendations for firms to take to improve the socio-economic diversity of their workforce, including setting their own internal targets. Internally, we have continued to deepen our relationship with our charity partner Urban Synergy, including offering three x1 week intern placements across the year, supporting various charitable events, and providing complementary exhibition space at our conferences to promote their activities and agenda. We have also initiated a partnership with the Taylor Bennett Foundation, offering a one-year placement through their Summer Stars Internship Programme. We have continued this partnership for 2023/24.

Delivered on our commitments to the Women in Finance Charter and Race at Work Charter. In our last submission to the Women in Finance Charter (September 2022), we exceeded our target of ensuring a 40:60 female:male ratio across our senior management team at 55% – a year-on-year increase in senior female representation of 9%. As part of our signatory to the Race at Work Charter, we continue to monitor and report ethnicity data from our colleagues. Of the 43 employees included in our data capture, the majority, 67%, are from a White background (up 6% year-on-year), 9% are from a ‘Black’ or ‘Asian’ background (down 11%) and 12% identified as ‘mixed-Asian’, ‘mixed-Black’, mixed-White’ or ‘other’. This data continues to be used as an ongoing baseline and informs HR objectives for the coming financial year. We continue to look at enhancing our ethnic diversity, including through additional and relevant DE&I training programmes for colleagues and ensuring more inclusive recruitment strategies. We will also look to expand our supply chain to include more ethnically diverse-led enterprise owners. We remain a Disability Confident Committed employer, a signatory of the Menopause Workplace Pledge and a Social Mobility Pledge accredited employer.

Our partners and pledges



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 2023		
Directors	Finance and Audit Committee	Nominations Committee
Omar Ali		✓
Edward Braham		✓
Miles Celic	✓	✓
Galina Dimitrova		
Adam Farkas		
Hannah Gurga		
Christoper Hayward		✓
John Heaps	✓	
Sarah Melvin		
David Postings	✓	
Anne Richards DBE		✓
Sir William Russell	✓	
Jonathan Whitehouse		

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 board committee appointments
- policies
- structure
- management
- transactions
- remuneration and pensions
- delegation of authority
- material contracts.

Committees

The Board operates through clearly identified Board committees to which it delegates certain powers. These are the Finance and Audit and Remuneration and Nominations Committees. 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 to 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 four meetings during the year ended 31 March 2023. 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 2022 - 31 March 2023				
Directors	Date Appointed (A) or Resigned (R)	Regular Board Meetings	Finance and Audit Committee	Remuneration and Nominations Committee
Meetings Held:		4	4	1
Omar Ali	-	2	-	1
Edward Braham	-	4	-	1
Miles Celic	-	4	4	1
Galina Dimitrova	-	4	-	-
Huw Evans	(R) 1 August 2022	-	-	-
Adam Farkas	-	4	-	-
Hannah Gurga	-	3	-	-
Christopher Hayward	(A) 15 June 2022	2	-	-
John Heaps	-	4	4	-
Sarah Melvin	-	1	-	-
Catherine McGuinness	(R) 8 June 2022	-	-	-
David Postings	-	4	4	-
Anne Richards DBE	(A) 8 June 2022	4	-	1
Sir William Russell	(A) 14 December 2022	1	-	-
Dr Kay Swinburne	(R) 6 June 2023	4	4	-
Mark Tucker	(R) 2 June 2022	1	-	-
Rick Watson	(R) 1 August 2022	-	-	-
Jonathan Whitehouse	-	4	-	-
Stuart Williams	(R) 23 September 2022	1	-	-
Sir David Wootton	(R) 11 November 2022	2	2	-

Board performance appraisal

With the full support of the Board, the Chair 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 (AGM) 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, save that a director may, by a decision of the directors, be eligible for re-appointment beyond their second term if it is considered to be in the best interests of the Company by virtue of any particular executive office with the Company or project or undertaking or trade association with which that Director is involved and where, in the opinion of the directors, disruption would otherwise be caused as a result of their retirement from office.

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
A Farkas	H Gurga
C Hayward	J R Heaps
S L Melvin	D J Postings
A H Richards DBE	Sir W A B Russell
J P Whitehouse	

Company secretary

J S Holland

Registered number

07088009

Registered office

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

Independent auditor

CLA Evelyn Partners Limited,
Chartered Accountants & Statutory Auditor,
45 Gresham Street,
London.
EC2V 7BG

Directors' report

for the year ended 31 March 2023

The directors present their report and the financial statements for the year ended 31 March 2023.

Principal activity

The principal activity of the Company is to promote a globally competitive UK-based financial and related professional services industry.

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

Results and dividends

The loss for the year, after taxation, amounted to £65,631 (2022 - profit £188,455).

No dividends were paid or proposed during the year (2022 - £Nil).

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
A Farkas	H Gurga
C M Hayward (appointed 15 June 2022)	J R Heaps
S L Melvin	D J Postings

A H Richards DBE (appointed 8 June 2022)

J P Whitehouse

Sir D H Wooton (resigned 11 November 2022)

C S McGuinness (resigned 8 June 2022)

S G Williams (resigned 23 September 2022)

Sir W A B Russell (appointed 14 December 2022)

R J Watson (resigned 1 August 2022)

H D Evans (resigned 1 August 2022)

M E Tucker (resigned 2 June 2022)

Dr J K Swinburne (resigned 6 June 2023)

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, CLA Evelyn Partners Limited, 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: 31 July 2023

Directors' responsibilities statement

for the year ended 31 March 2023

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

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

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

Financial statements

Statement of comprehensive income for the year ended 31 March 2023

	Note	2023 £	Restated 2022 £
Turnover		6,673,671	6,183,590
Cost of sales		(742,004)	(896,990)
Gross profit		5,931,667	5,286,600
Administrative expenses		(5,979,575)	(5,242,352)
Operating (Loss)/profit		(47,908)	44,248
Interest receivable and similar income	5 8	4,002	298
(Loss)/gain on current asset investments	13	(21,725)	143,909
(Loss)/profit before tax		(65,631)	188,455
Tax on (loss)/profit	9	-	-
(Loss)/profit for the financial year		(65,631)	188,455

There was no other comprehensive income for 2023 (2022 - £Nil).

The notes on pages 26-33 form part of these financial statements.

Statement of financial position as at 31 March 2023

	Note	2023 £	Restated 2022 £
Fixed assets			
Tangible assets	10	368,543	475,536
Investments	11	220	220
		<u>368,763</u>	<u>475,756</u>
Current assets			
Debtors: amounts falling due within one year	12	2,826,616	2,555,855
Current asset investments	13	1,553,848	1,596,782
Cash at bank and in hand		3,379,850	3,179,110
		<u>7,760,314</u>	<u>7,331,747</u>
Creditors: amounts falling due within one year	15	(5,836,923)	(5,467,718)
Net current assets		<u>1,923,391</u>	<u>1,864,029</u>
Total assets less current liabilities		<u>2,292,154</u>	<u>22,339,785</u>
Provisions for liabilities			
Provisions	16	(61,500)	(43,500)
Net assets		<u>2,230,654</u>	<u>2,296,285</u>
Capital and reserves			
Retained earnings	17	2,230,654	2,296,285
Total capital and reserves		<u>2,230,654</u>	<u>2,296,285</u>

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: 31 July 2023

The notes on pages 26-33 form part of these financial statements.

Statement of changes in equity for the year ended 31 March 2023

	Retained earnings £	Total equity £
At 1 April 2021 (restated)	2,107,830	2,107,830
Comprehensive income for the year		
Profit for the year (restated)	188,455	188,455
At 1 April 2022 (restated)	2,296,285	2,296,285
Comprehensive loss for the year		
Loss for the year	(65,631)	(65,631)
At 31 March 2023	2,230,654	2,230,654

Statement of cash flows for the year ended 31 March 2023

	2023 £	Restated 2022 £
Cash flows from operating activities		
(Loss)/Profit for the financial year	(65,631)	188,455
Adjustments for:		
Depreciation of tangible assets	151,915	150,563
Interest received	(4,002)	(298)
Increase in debtors	(270,761)	(1,918,229)
Increase in creditors	369,136	2,877,891
Net fair value gains on current asset investments	43,003	(125,640)
Increase in provisions	18,000	18,000
Net cash generated from operating activities	241,660	1,190,742
Cash flows from investing activities		
Purchase of tangible fixed assets	(44,922)	(112,176)
Interest received	4,002	298
Purchase of current asset investments	-	(400,000)
Net cash used in investing activities	(40,920)	(511,878)
Net increase in cash and cash equivalents	200,740	678,864
Cash and cash equivalents at the beginning of the year	3,179,110	2,500,246
Cash and cash equivalents at the end of the year	3,379,850	3,179,110
Cash and cash equivalents at the end of the year comprise:		
Cash at bank and in hand	3,379,850	3,179,110
	3,379,850	3,179,110

Notes to the financial statements for the year ended 31 March 2023

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 and the small companies exemptions provided by section 415A of 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 are not required to be consolidated 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 and have concluded that they have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The foreseeable future being at least the next 12 months from signing of these financial statements based upon revenue projections and the level of cash reserves and current asset investments held by the Company.

2. Accounting policies (continued)

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 held in the Statement of Financial Position as deferred income.

Grant income

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

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

Other income

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

All income relates to the United Kingdom

2.5 Cost of sales

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

2. Accounting policies (continued)

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	10%
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.

2. Accounting policies (continued)

Current asset investments are investments in investment funds which are remeasured to fair value at each statement of financial position date. Fair value is determined using publicly listed prices provided by the investment manager. Gains and losses on remeasurement are recognised in profit or loss for the period. Where fair value cannot be reliably determined, such investments are stated at historic cost less impairment. Fund management fees payable to the manager of the investment funds are recognised as an expense in profit or loss for the period.

2.10 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the reporting date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the reporting 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 reporting 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 unlisted shares are classified as basic financial instruments. They are initially measured at transaction price less impairment. Investments in investment funds are measured at fair value with gains and losses on remeasurement recognised in 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 amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Company will not be able to collect all amounts due.

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

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

2.14 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 reporting 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

2. Accounting policies (continued)

- 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 from these membership activities, except in relation to corporation tax on investment gains (less any corporation tax losses brought forward).

2.15 Prior period error

FRS 102 requires that to the extent practicable, an entity shall correct a material prior period error retrospectively in the first financial statements authorised for issue after its discovery by restating the comparative amounts for the prior period presented in which the error occurred and where necessary also restating the opening balances of assets, liabilities and equity for the earliest prior period presented. As the error identified by the Company affects the prior year as well as certain periods before this point, adjustments have been made not only to the profit or loss and net assets reported in 2022 but also to the opening retained earnings. Full details of the error and the adjustments made can be found in note 23.

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.

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

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 investment manager. As at 31 March 2023, investments were valued at £1,553,848 (2022 - £1,596,782), of which £21,725 was recognised as a loss during the year (2022 -£143,909 profit).

Trade debtor recoverability

The trade debtors balances of £2,227,790 (2022 - £2,111,819) recorded in the Statement of Financial Position. 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

A dilapidations provision is recognised in these financial statements to reflect the clause included within the Company's lease agreement which requires the property to be returned to its original state when the Company departs the premises. The dilapidation provision of £61,500 (2022 - £43,500) 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 21.

5. Operating (loss)/profit

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

	2023 £	Restated 2022 £
Operating lease rentals	327,256	327,256
Pension costs	188,275	166,488

6. Auditor's remuneration

	2023 £	2022 £
Fees payable to the Company's auditor for the audit of the Company's financial statements	23,500	17,250
Fees payable to the Company's auditor and its associates in respect of:		
Taxation compliance services	5,100	3,475
Other services relating to taxation	560	680
All other services	1,700	1,230
	7,360	5,385

7. Employees

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

	2023 No.	2022 No.
Average number of employees	42	39

The average number of directors who served during the year was 17 (2022 - 17), 1 of which received remuneration during the year (2022 - 1).

8. Interest receivable

	2023 £	2022 £
Other interest receivable	4,002	298

9. Taxation

	2023 £	2022 £
Total current tax	-	-
Taxation on profit on ordinary activities	-	-

The Company has an unrecognised deferred tax asset of £96,086 (2022 - £133,004).

Factors affecting tax charge for the year

There were no factors that affected the tax charge for the year which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 19% (2022 - 19%).

Factors that may affect future tax charges

Finance Act 2021 includes legislation to increase the main rate of corporation tax from 19% to 25% from 1 April 2023. The full anticipated effect of these changes is reflected in the above deferred tax balances.

10. Tangible fixed assets

	Long-term leasehold property £	Fixtures and fittings £	Office equipment £	Total £
Cost				
At 1 April 2022	431,199	160,364	414,665	1,006,228
Additions	-	-	44,922	44,922
At 31 March 2023	431,199	160,364	459,587	1,051,150
Depreciation				
At 1 April 2022	103,348	124,415	302,929	530,692
Charge for the year	43,233	31,510	77,172	151,915
At 31 March 2023	146,581	155,925	380,101	682,607
Net book value				
At 31 March 2023	284,618	4,439	79,486	368,543
At 31 March 2022	327,851	35,949	111,736	475,536

11. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 April 2022	220
At 31 March 2023	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	100%

The aggregate of the share capital and reserves as at 31 March 2023 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)	-

12. Debtors

	2023 £	2022 £
Trade debtors	2,227,790	2,111,819
Amounts owed by group undertakings	2,788	4,703
Prepayments and accrued income	596,038	439,333
	2,826,616	2,555,855

13. Current asset investments

	2023 £	2022 £
Current asset investments	1,553,848	1,596,782

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 £1,280,558 (2022 - £1,280,558). Additions of £Nil was made during the year (2022 - £400,000). Fair value loss during the year was £21,725 (2022 - £143,909 gain) and have been recognised in profit or loss as part of (losses)/gains on current asset investments.

14. Analysis of net debt

	At 1 April 2022 £	Cash flows £	At 31 March 2023 £
Net funds	3,179,110	200,740	3,379,850

15. Creditors: Amounts falling due within one year

	2023 £	Restated 2022 £
Trade creditors	306,205	255,844
Other taxation and social security	38,309	24,019
Deferred income	4,929,042	4,425,666
Accruals and other creditors	563,367	762,189
	5,836,923	5,467,718

16. Provisions

	Dilapidation provision £
At 1 April 2022	43,500
Charged to profit or loss	18,000
At 31 March 2023	61,500

Dilapidation provision

A dilapidation provision is recognised to accrue the cost of returning the Company's office premises to its original condition at the end of the lease.

17. Reserves

Retained earnings

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

18. 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.

19. 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 £188,275 (2022 - £166,488). Contributions totalling £28,072 (2022 - £23,303) were payable to the fund at the reporting date and are included in creditors.

20. Commitments under operating leases

At 31 March 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £	2022 £
Not later than 1 year	420,031	417,532
Later than 1 year and not later than 5 years	111,217	515,750
	531,248	933,282

21. Related party transactions

The Company received funding of £400,000 (2022 - £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 (2022 - £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 (2022 - £100,000) from the City of London Corporation in relation to a contribution for rental expenses incurred by the Company. At the year end, an amount of £Nil (2022 - £Nil) was outstanding.

During the year, the Company was invoiced £147,420 (2022 - £152,320) by the City of London Corporation for rates. At the year end, the Company owed £147,420 (2022 - £152,320) which is included within creditors.

During the year, TheCityUK settled costs on behalf of the Financial Services Skills Commission (the "Commission") of £13,394 (2022 - £7,539) which were recharged at cost. At the year end, £16,073 (2022 - £9,047) was owed to the Company, which is included in debtors. The Commission is a related party as the Company was a founding member, with the Company also signing a Service Level Agreement to support the growth of the Commission by providing services to them at a nominal fee in lieu of paying a yearly subscription fee.

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 £1,177,126 (2022 - £1,035,006).

22. Controlling party

The directors consider there to be no ultimate controlling party.

23. Prior year adjustment

As a result of the Company reassessing our expectations of triggering the break clause contained in the Fitzwilliam House lease, the associated accrual for this lease incentive has been restated to recognise the liability over a shorter period of time. A summary of the impact on the Company is as follows:

	Previously stated 31 March 2022 £	Effect of Revisions £	As restated 31 March 2022 £
Statement of Financial Position			
Accruals and other creditors	(924,484)	162,295	(762,189)
Retained earnings at 31 March 2021	(1,986,846)	(120,984)	(2,107,830)
Net effect	(2,911,330)	41,311	(2,870,019)
Statement of Comprehensive Income			
Administrative expenses	5,283,663	(41,311)	5,242,352

24. Auditor information

The auditor's report on the financial statements prepared for the members was unqualified. The auditor's report was signed by Daniel Quilter of CLA Evelyn Partners as senior statutory auditor.

TheCityUK

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MEMBERSHIP

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

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