

# Driving growth and competitiveness through change

Annual report and accounts 2021-22



# About TheCityUK

TheCityUK is the industry-led body representing UK-based financial and related professional services. We champion and support the success of the ecosystem, and thereby our members, promoting policies in the UK, across Europe and internationally that drive competitiveness, support job creation and ensure long-term economic growth. The industry contributes 12% of the UK's total economic output and employs over 2.2 million people, with two thirds of these jobs outside London. It is one of the largest exporters 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 2021-22



August 2021 - July 2022

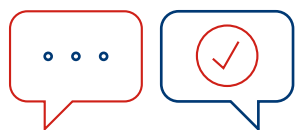
# TheCityUK in numbers

“*The financial services industry will provide vital support to the economy, businesses and people of this country as we deal with the effects of Covid and the war in Ukraine. Fortunately, I know from many conversations that TheCityUK are up for the challenge.*”

**Andrew Bailey, Governor of the Bank of England**



**222** **STAKEHOLDER MEETINGS AND EVENTS** IN-PERSON, HYBRID AND ONLINE WITH **4,525** ATTENDEES



**92%**

OF OUR MEMBERS SAY WE ARE EFFECTIVE AT BEING **'THE VOICE OF THE INDUSTRY'**\*\*



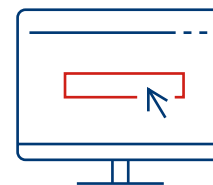
ACHIEVED A  
**97%**

**MEMBER RETENTION RATE\***



**91%**

OF OUR MEMBERS BELIEVE WE'RE **EFFECTIVE AT BUILDING AND MAINTAINING RELATIONSHIPS** WITH POLICYMAKERS AND OFFICIALS\*\*



TIME SPENT ON OUR **WEBSITE** UP

**15%**



**9 IN 10**

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



**12%**

INCREASE IN FOLLOWERS **ACROSS LINKEDIN AND TWITTER** WITH OVER **2M** IMPRESSIONS ACROSS BOTH



**5,430**

**BROADCAST, PRINT AND ONLINE NEWS** PIECES ACROSS **100** COUNTRIES

This is inclusive of the time period April 2021 - July 2022

\*Annual target: 95%

\*\*Source: TheCityUK member survey 2022, conducted by Kantar

# Board Chair’s statement

The past 12 months have seen many challenges and the outlook remains uncertain on several fronts.

We are confronted with threats to globalisation: disrupted supply chains and growing food, energy and humanitarian crises are leading to a slowdown in economic growth and an increase in market volatility, political tensions and rising inflation.

Technological advances are also fundamentally altering many aspects of our economy at a structural level. The digitisation of many areas of life is altering the way we interact with both colleagues and customers. And the need to increase investment in the transition to net zero to address the consequences of climate change is becoming more apparent. These shifts challenge conventional thinking in many areas of business, and financial and related professional services are at the heart of helping the economy respond.

I’m grateful to my predecessor, Mark Tucker, for the excellent job he did in setting and progressing TheCityUK’s strategy over his tenure against this demanding backdrop. This annual report covers Mark’s final year.

My intention for the next three years is to build on this progress, to take advantage of the opportunities that accompany change, and to advance the international competitiveness of the industry.

We are building on a strong foundation: financial and related professional services are central to UK economic growth and a key export, with nearly half of those exports from outside London. As our latest ‘Key facts about UK-based financial and related professional services’ report sets out, the industry also contributed £261bn to UK Gross Value Added in 2021.

“*My intention for the next three years is to...take advantage of the opportunities that accompany change, and to advance the international competitiveness of the industry*”

Finance is the thread that links people, companies and economies together to address these challenges, bring good ideas to life and to build prosperity for the economy as a whole. And TheCityUK has a critical role in creating a forum for the industry to discuss and come together, from all parts of the UK, on these themes of change. It is essential that we adapt to the forces shaping our industry and the world at large, both to remain relevant to our customers and to ensure the UK remains a world-leading international financial centre.

By acting quickly and with purpose, we can make the UK a global leader in climate transition finance, a centre for science-led economic progress and an engine of career development and jobs growth in the contest for international talent. These are the key battlegrounds of international competitiveness for the next few years and the sources of our biggest opportunities.

To take advantage of them will require a focus on the core areas of education, innovation, and cooperation.

To start with, the UK must be a place where the world wants to work. Ours is a people-based industry and success depends on recruiting, training, and retaining a workforce that can compete with the best. We must remain open and attractive to both domestic and international talent, offering opportunities to grow and become more skilled, to fulfil our role as a major employer within the UK economy. Our ecosystem employs over 2.2 million people, providing about one in 14 of all jobs in the UK, with two thirds of those jobs outside London.

The industry also plays a central supporting role at every step in the cycle of innovation and growth. From early-stage funding for small companies in the private markets to leading businesses through to the public markets as they mature, helped along by legal, accounting and audit services, we are a catalyst of creativity.

In particular, we must focus on industries such as life sciences, climate tech and digital services to ensure the funding is there to support small companies with great ambitions, as well as large. Similarly, as part of a digital strategy, we have an opportunity to champion common international rules for digital trade and seek targeted agreements on data transfers with key trading partners in financial services.

Much can be achieved through cooperation, and it is here where TheCityUK is well placed to contribute. We represent a diverse industry, with the individual components of the ecosystem combining to provide effective solutions to sometimes complex business requirements. Of course, sometimes the policy priorities of those different components vary, but I am excited by the prospect of pulling these strands together and engaging with stakeholders to make progress on our common aim to enhance the UK’s services competitiveness.

This spirit of cooperation is deeply embedded in TheCityUK. In my few months 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 look forward to working closely with the directors, with Bruce Carnegie-Brown as Chair of the Leadership Council and with our City Chairs and members from across the country to achieve the best outcomes for the industry.

**Anne Richards DBE**  
Board Chair, TheCityUK



# Chief Executive Officer's statement

Against a backdrop of change and continued uncertainty, I am very proud of the flexibility and exceptional commitment of colleagues at TheCityUK and of the outcomes we have delivered for our members. They have seamlessly adapted our programme of work and engagement with members and stakeholders over the past year to ensure we continue to make good progress against our strategy. I am also very grateful to our members for their ongoing support and contribution to our work. It remains a critical part of what makes us so effective.

*We are making good progress on our strategy and delivering real impact for members in the areas that matter to them most.*

## External environment

The ongoing consequences of the Covid pandemic have brought about real challenges for people, businesses and economies up and down the country. This has been further exacerbated by the global impact of Russia's invasion of Ukraine, as well as the spiralling cost of living. The financial and related professional services industry has stepped up to respond at pace to these crises and support customers through difficult times. For our part, we have convened industry to collate, share and collectively address key issues, particularly over recent months in relation to Russian sanctions. We have also been clear through our engagement with government, officials and other key stakeholders how important it is for the UK to continue signalling its openness to business and investment – a central tenet of ensuring it remains competitive into the future.

## Competitiveness

Seeing the UK regain its competitive edge and reclaim its crown as the world's leading international financial centre is at the heart of our International Strategy. Since its launch last year, good progress has been made across its three pillars: securing the competitiveness of the UK's international financial centre; growing international market access for the industry; and building new capabilities in high-growth areas. Our work across these areas has supported UK free trade agreement (FTA) negotiations, the development of UK trade policy and the further strengthening of regulatory cooperation and business links between the UK and key international markets. We have also continued to work with developing international financial centres, including running successful projects with Kenya, Uzbekistan and Azerbaijan, as well as exploring exciting new opportunities in other markets.

Talent remains fundamental to the industry's ability to be competitive and our advocacy work to influence reform to the UK's short-term business mobility system has been well received across government. Following a whole-of-government policy review on this issue, we will continue to promote recommendations from our award-winning work conducted in partnership with EY and the City of London Corporation. We will continue to powerfully advocate for the help businesses need to access the high-skilled talent they require to grow and compete. We have also further built on our collaboration with the Financial Services Skills Commission on the skills and talent agenda more broadly.

Enhancing competitiveness and driving growth is an advocacy priority in our domestic work, with key policy outcomes delivered across the year. These include the inclusion of an international competitiveness and growth secondary objective for the regulators in the Financial Services & Markets Bill, and the intention to create a sub-committee of the Treasury Select Committee to ensure additional accountability in the regulatory framework post Brexit. These both followed long-run campaigns led by the International Regulatory Strategy Group (IRSG) – our co-venture with the City of London Corporation and chaired by Dr Kay Swinburne of KPMG.

## The enabling role of industry across the UK

Through our network of Regional and National Chairs, we continue to deepen our engagement with key local stakeholders and constituency MPs to promote the value and contribution the industry makes to local economies and communities and underline the role it can play in helping to level up the country. Given that two thirds of the more than 2.2m people employed in the industry are based outside London, we have long called for a stronger regional presence from the regulators, and the opening of an FCA office in Leeds, and indeed the HM Treasury campus in Darlington, is very welcome. We continue to work closely with our valued colleagues at Scottish Financial Enterprise (SFE) to promote Scotland's role as a key part of the UK-wide industry success story and I look forward to our joint National Conference on 1 December in Edinburgh, in partnership with PwC and supported by State Street.

*A focus on industry trust and reputation is embedded in everything we do at TheCityUK.*

Our activity on green and sustainable finance has gathered strong momentum across the year and is well embedded across our strategic priorities. Given Italy's COP26 partnership with the UK, in the run up to the event, we proactively engaged key stakeholders on industry priorities and outcomes in relation to sustainability at a series of events in Italy. At our COP26 event in Glasgow, we showcased the industry's enabling role in supporting the transition to net zero and best practice examples from members.

Earlier this year, we published new research on green finance trends, in partnership with BNP Paribas and with data provided by Refintiv, which underlined the opportunities in the sector and how well the UK is placed to take advantage of them. This formed part of our highly-regarded series of economic research reports. We have also set out clear policy recommendations through our responses to three major government consultations to enable green and transition financing opportunities to scale up, and used commercial diplomacy in our work to position the UK as a global hub for sustainable finance and strengthen green finance ties with international markets.

## Stakeholder engagement

A focus on industry trust and reputation is embedded in everything we do at TheCityUK. We continue to work closely with colleagues across the major trade associations and the City of London Corporation to develop and deploy industry-wide messaging on key issues. We have continued to strengthen and grow relationships with all key departments in Whitehall and with policymakers across the country from all the major political parties. In our 2022 Member Survey, run independently by Kantar, 91% of members said we were effective at this, with 83% saying we have a positive influence on relevant policy and regulatory issues. Our continued ability to secure high-profile, well-messaged media coverage on key issues and debates is also helpful in this regard.

We have continued to bring our members together with senior stakeholders across the year through our wide range of events, conferences and meetings, including the Chancellor of the Exchequer, Economic Secretary to the Treasury, First Minister of Scotland, Shadow Chancellor, and the European Commissioner for Financial Stability, Financial Services and the Capital Markets Union, among others. I was delighted that we were able to hold our Annual Dinner, in partnership with Shearman & Sterling, for the first time since the pandemic, welcoming the Governor of the Bank of England and the Economic Secretary to the Treasury. We have also been fortunate to attract high-calibre speakers from across government, the regulators and industry at our series of conferences across the year, including our very successful inaugural International Conference, in partnership with Freshfields Bruckhaus Deringer and HSBC.

Our Next Generation Leadership Council, chaired by Bruce Carnegie-Brown, has firmly established itself over the past year and is making a good impact, with members also engaging in our conferences and events. We have successfully run our second round of recruitment and welcomed another cohort of members to the group. I am pleased with our progress on diversity and inclusion, not least with regards to delivery against our commitments to the Race at Work Charter and Women in Finance Charter (for which we have surpassed our target to have a 40:60 female:male ratio in senior management in the past year). There is still more to be done on this important agenda, both internally and with members, and we will continue to enhance our focus on this over the coming year.

With regards to us telling people about our work, we are very focused on our digital first approach, which has included the recent launch of our new website and more effective ways to provide better, more targeted communications to our members and stakeholders.

As I write this statement, there are just a couple of weeks left until the conclusion of the Conservative Party leadership contest. Early on, we set out a manifesto for how government can work closely with industry to maximise its contribution, and we look forward to working closely with the next Prime Minister and the new government to realise those proposals.

## Delivering with impact

Overall, we are making good progress on our strategy and delivering real impact for members in the areas that matter to them most. It is positive to see that reflected back through our latest Member Survey, with 92% of members saying that our priorities are focused in the right areas, 88% agreeing that our objectives align with those of their organisation, and 86% saying that we are both effective at advancing their interests and that their opinion of us is favourable.

We have continued to deepen our collaboration with partners across the industry, in particular with colleagues at the City of London Corporation, the trade associations and SFE. I would like to extend special thanks to the City of London Corporation's former Policy Chair, Catherine McGuinness, and her successor, Chris Hayward, for their great support and commitment to our partnership.

## Thank you

I am delighted to welcome our new Board Chair, Anne Richards DBE, CEO of Fidelity International, and our new Leadership Council Chair, Bruce Carnegie-Brown, Chairman of Lloyd's of London, who succeed Mark Tucker and Sir Adrian Montague respectively. Both bring a wealth of industry insight and experience to the organisation, and I know will make a significant impact during their tenures. My great thanks go to both Mark and Adrian for their enormous contribution to TheCityUK over the past few years during some very challenging times. I am also very grateful to our Regional and National Chairs, the directors and our Leadership Council members for their continued support and engagement with our work.

In addition, I am very pleased to welcome Alasdair Haynes, CEO of Aquis Exchange, as the Chair of our new Business Council. It is a complementary group to our Leadership Council, bringing together disruptors, smaller members and innovators to provide a distinctive perspective on key issues, and has had an energetic start under Alasdair's leadership.

Finally, I reiterate my sincere thanks to the team at TheCityUK, who continue to go above and beyond to deliver exceptional work and outcomes for our members.

## 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 ecosystem. These are long-term competitiveness, international trade and investment, trust and reputation, UK regions and nations and green and sustainable finance. As part of our work, we deliver a wide range of research that helps to shape key debates and influence policy for UK-based financial and related professional services.

## Long-term competitiveness

The UK's world-leading financial and related professional services industry plays a critical role in driving economic growth that supports our net zero ambitions and fosters innovation, not just in London but right across the country. TheCityUK gives a voice to that industry, ensuring that policymakers are aware of what we can do to enable financial and related professional services businesses to continue to succeed and contribute to our country's economic prosperity. I look forward to continuing to work with TheCityUK.

**Rachel Reeves, MP, Shadow Chancellor**

**Successfully lobbied Government to propose an international competitiveness and growth objective for the regulators** – a campaign led through the IRSG. Following its inclusion in the Financial Services and Markets Bill we will continue to press for its delivery. The Shadow Chancellor of the Exchequer, Rachel Reeves MP, announced that Labour would be supporting this clause in the Bill, in principle, at our Annual Conference on 30 June.



'In conversation' between Rachel Reeves MP, Shadow Chancellor and Chris Hayward, Policy Chairman at the City of London Corporation and Deputy Chair, TheCityUK, at TheCityUK Annual Conference 2022

**Secured a policy win relating to greater parliamentary scrutiny of financial services regulation** when the Treasury Select Committee announced their intention to create a sub-committee focused on scrutinising financial services regulatory proposals and approach. This was a key outcome from a long-term campaign run through the IRSG to promote the need for additional accountability in the regulatory framework. We have also been engaging with HM Treasury around the Future Regulatory Framework review. We have proposed an approach to transferring EU on-shored legislation into the regulators, rulebooks that would ensure continuity, certainty, proportionality, and agility.

**Good progress made on recommendations relating to global talent mobility**, supported by ongoing engagement with policymakers and senior stakeholders. Our 'Global talent mobility: Ensuring UK competitiveness one year on: our scorecard' report, produced in collaboration with EY and the City of London Corporation, showed real progress in removing unnecessary barriers and expanding the immigration routes available to skilled talent, but businesses continue to struggle with process-related issues. We continue to push stakeholders for change in this area. Our recommendations for small changes to the UK's current mobility framework could go a long way to helping businesses access the high-skilled talent they need to grow and compete globally.

**Strong signals that our recommendation to reform the UK's short-term business mobility system will be adopted.** Further to our work on global talent mobility, our advocacy campaign to persuade the government to reform the UK's short-term business mobility system and address widespread industry concerns has been well received. Following us partnering with HM Treasury to gather evidence from members about the frictions businesses face on mobility, we then shared the evidence with targeted officials in the Home Office, DIT, BEIS, FCDO, DCMS, MoJ, and MPs interested in immigration. Officials are now conducting a whole-of-government policy review of short-term business mobility. We will continue to maintain momentum until reform has been delivered.

**Continued to maintain engagement with key EU stakeholders to discuss a range of critical industry issues**, working in partnership with the City of London Corporation. These have included a series of meetings with French stakeholders, including the French Ambassador to the UK, Deputy Head of Mission at the British Embassy in Paris and senior representatives from the French financial services sector; a hybrid delegation to Luxembourg with senior stakeholders; an in-person meeting in Brussels to meet representatives from the Directorate-General for Financial Stability, Financial Services and Capital Markets Union (DGFSMA) and MEPs Michiel Hoogeveen and David McAllister.

**Successfully ensured that industry priorities have been promoted to key stakeholders** in relation to proposed regulatory and legislative changes. Through close collaboration between our EU Coordination Group and IRSG EU Regulation Group, we have engaged with EU institutions and Member States to share expertise and discuss issues of mutual interest. We will be a member of the UK Domestic Advisory Group set up under the EU-UK Trade and Cooperation Agreement (TCA) and will participate in the Civil Society Forum, also set up under the TCA.

**Invited by the Secretary of State for BEIS to join the Life Sciences Scale-Up Taskforce and co-lead work on access to finance**, working closely with the UK Bio Industry Association (BIA) and Legal and General Group. Together with BIA and PwC, who kindly led the project management of the work, we presented a paper to the Secretary of State setting out barriers and proposed solutions and developed a proposed UK Scale-Up Partnership for Life Sciences. The partnership aims to facilitate the allocation of institutional investor capital into venture capital and growth funds focusing on the life sciences and Biotechnology sectors. A discussion we facilitated between institutional investors and founders of Biotechnology start-ups has fed into our advocacy work to promote momentum on reforms to the UK's capital markets and the implementation of recommendations from the UK Listings Review. The ultimate aim is to keep Biotechnology firms founded in the UK to seek capital and list in the UK to improve the UK's international competitiveness in this strategically significant industry.



Emmanuel Massé, Minister-Counsellor for Financial and Economic Affairs from the French Embassy meets with Emma Reynolds, Managing Director of Public Affairs, Policy and Research, TheCityUK and other senior stakeholders

**Formed a new Technology and Innovation member group**, chaired by Louise Brett of Deloitte, to direct our activity and positioning in the technological arena, with emphasis on the long-term competitiveness of the UK. The group will focus on the development of a pro-innovation environment in the UK forming a strategy to take forward. It will also investigate the use of distributed ledger technology outside of cryptocurrencies, with the objective of developing advocacy against any existing legislative and regulatory barriers to its use.

International trade and investment

*It has been great to have the opportunity to talk to TheCityUK about our ambitious plans to create a cat's cradle of trade deals across the world, with advanced services and digital chapters.*

Rt Hon Elizabeth Truss MP

**Launched our International Strategy to make the UK the leading international financial centre within five years**, which brings together industry, government and regulators around a shared vision for how to position the industry for future international growth and success. Our International Trade and Investment Group (ITIG), chaired by Edward Braham of M&G, has led its implementation, developing a work programme around each of the strategy pillars of future success and developing a tracker to capture industry advocacy efforts and benchmark progress against external metrics. Each of our Market Advisory Groups (MAGs) has applied the strategy's themes to the development of bilateral ties with key trading partners.

**Convened the industry to collate and share information and collectively address issues arising in relation to Russian sanctions following Russia's invasion of Ukraine and manage geopolitical risk.** We have also been focused on ensuring the UK continues to signal its openness to global capital and its commitment to the rule of law in our engagement with policymakers, officials and key stakeholders. This work has been supported through the ITIG which is developing messaging for UK industry and government to deploy through its diplomatic network to reassure international businesses that the UK remains open to the world and welcoming of foreign investment.

**Delivered a successful inaugural International Conference**, bringing together over 300 senior delegates to reflect on the UK's trade and investment strategy and the trends impacting the UK's status as an international financial centre. Kindly supported by Freshfields and HSBC, the event attracted high-calibre speakers from across

government, the regulators and industry, including the Secretary of State for International Trade, the Minister for Investment, and senior officials from the Bank of England, HM Treasury, the Asian Development Bank and the OECD.

*It was an excellent conference as a consequence of all the thought and efforts that [the] team put into both the content and flow, and getting the right mix of panellists and speakers. The content also has given us much to think about!*

TheCityUK member

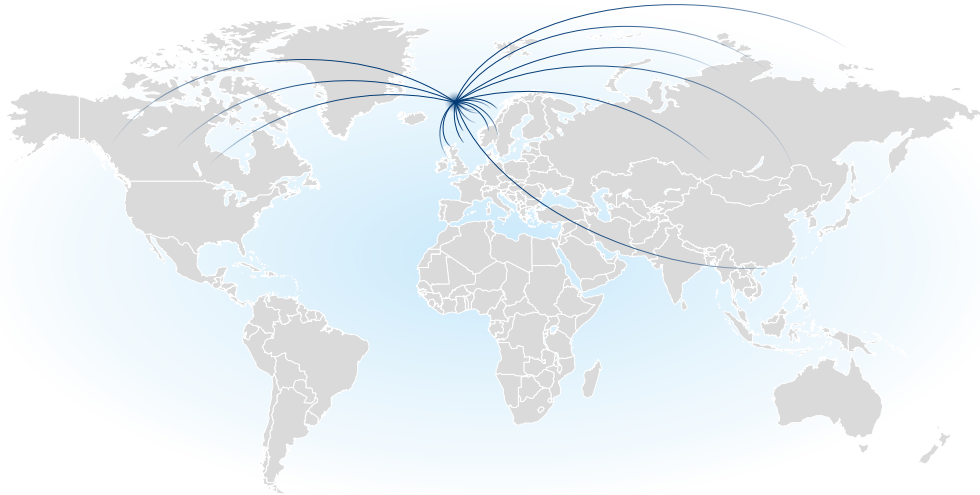


Bruce Carnegie-Brown, Chair of TheCityUK Leadership Council and Chairman of Lloyd's of London, joins a senior panel at TheCityUK International Conference 2022

**Positioning the UK as a global hub for sustainable finance through commercial diplomacy.** In India, we initiated a sustainable infrastructure workshop with the support of the British High Commission, British International Investment, and the UK-India Business Council, convening more than 100 UK investors with senior Indian officials and businesses to discuss India's sustainable investment pipeline and effective investment pathways. Meanwhile, to support the UK's pledge to assist Turkey's Government on the climate transition, we worked with Department for International Trade (DIT) to deepen green finance ties through the UK - Türkiye Green Finance Conference.

**Maintained strong industry links between the UK and China through our China MAG,** chaired by Lord Sassoon of the China-Britain Business Council, with a focus on preparations for the UK-China Economic and Financial Dialogue (EFD) and 4th UK-China Financial Services Summit. Run jointly by us, the City of London Corporation and the China-Britain Business Council, the China MAG supported pre-EFD dialogues between senior industry stakeholders from the UK and China to discuss collaboration in climate-related disclosures, carbon markets, transition finance and nature-positive finance in collaboration with HSBC, China Construction Bank and Clifford Chance and how to strengthen capital markets connectivity in collaboration with the London Stock Exchange Group and Shanghai Stock Exchange.

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



**Set out evidence on how to make the UK a global data hub for financial and professional services data** to ensure its future international competitiveness. Findings from a series of workshops with data experts across the industry were captured and used to inform officials and regulators on how businesses rely on cross-border data flows. This evidence was also deployed to support UK FTA negotiations and socialised internationally. At the bilateral level, we led workstreams to further deepen UK-India FinTech cooperation and boost UK-US digital trade through greater UK-US regulatory alignment on digital assets.

**Shared evidence and maintained strong engagement with ministers on how to strengthen the UK's investment environment**, with a focus on ensuring that the new investment screening regime is implemented in a way that reassures international businesses they remain welcome. Following a workshop with members to discuss ideas with BEIS officials on how to strengthen UK government guidance on investment screening, we shared a series of recommendations with ministers. We are running a further workshop to check in on progress and provide a forum for further recommendations to discuss with officials.

“[We have a] huge appreciation for all the support that TheCityUK has provided. This has given us a great springboard with some very interesting recommendations for us to pursue.”

HM Treasury representative

**Supported UK trade policy development and ensured key international trade issues are addressed**, including responding to government consultations in coordination with trade association partners setting out industry policy asks for Free Trade Agreement (FTA) negotiations with India, Switzerland, the CPTPP, GCC, Canada and Mexico. Through our seat on the government-led Trade Advisory Groups, we have continued to ensure issues such as the mutual recognition of qualifications, mobility and data management are addressed. Our Liberalisation of Trade in Services (LOTIS) Expert Advisory Group used its coalition with industry partners in the US, EU, and Asia to successfully ensure the WTO renewed its ban on customs duties on electronic transmissions at its 12th Ministerial Conference.

**Supported negotiations for the Swiss Mutual Regulatory Agreement (MRA) and the pioneering of a new model for regulatory cooperation** through our Switzerland MAG, chaired by Joe Cassidy of KPMG, working with HM Treasury and economisesuisse to provide technical assistance in support of the negotiations in what could become the world's most ambitious financial regulatory agreement. With the MRA due for completion in Q4 2022, we continue work to ensure that forthcoming FTA negotiations further support and underpin MRA negotiations.

**Supported the development of new financial centres in key growth markets**, including through a successful FCDO-funded development project in partnership with the Nairobi International Financial Centre Authority and PwC to boost Kenya's FinTech ecosystem and promote financial inclusion. We agreed a Memorandum of Understanding (MoU) with Uzbekistan's Ministry of Finance and delivered technical assistance to improve Uzbekistan's capital markets infrastructure, regulation and oversight. We also launched a technical assistance programme to advance Azerbaijan's digital payments ecosystem.



'FinTech in Kenya: Towards enhanced funding and investment' report launch in Kenya

**Further strengthened UK-US links** with US business leaders, policymakers and regulators. Bruce Carnegie-Brown, the then Chair of our US MAG, led a delegation to New York in February 2022, with a follow-on visit to Washington D.C. jointly led with the City of London Corporation, to discuss how the UK and US could partner on ESG issues and digital assets.

**Saw several recommendations from a India-UK Financial Partnership (IUKFP) report on 'Developing GIFT City into a Global Services Hub' adopted by the Indian Government in its 2022 Budget**, which was a clear win for industry. This report was presented by IUKFP co-chairs to the Chancellor of the Exchequer and Finance Minister of India at the 11th Economic and Financial Dialogue in September 2021, shortly after the IUKFP participated in the first bilateral Financial Markets Dialogue.

Trust and reputation

“ [TheCityUK produces] thought leadership papers and events which actually influence and mould government opinion. ”

TheCityUK member

**Organised a series of successful 2021 party conference events focused on the role of the industry in supporting post pandemic economic recovery.** Our fringe events at Labour, Conservative and SNP conferences attracted senior stakeholders, including the then Shadow Secretary of State for International Trade, Emily Thornberry MP (Labour); former Cabinet Minister Angela Eagle (Labour) and former Economic Secretary to the Treasury, John Glen MP (Conservative). We also sponsored the prestigious 1922 Committee Drinks Reception, which saw our CEO share a platform with the Chancellor of the Exchequer.



Rt Hon Rishi Sunak MP, former Chancellor of the Exchequer and Miles Celic, CEO, TheCityUK, at the 1922 Committee Drinks Reception, 2021 Conservative Party Conference

**Regularly engaged with high-profile and influential stakeholders** across the year, including via Leadership Councils, Extraordinary Leadership Councils and Business Councils. Speakers included the Chancellor of the Exchequer, the First Minister of Scotland, Shadow Chancellor, European Commissioner for Financial Stability, Financial Services and the Capital Markets Union and the British Ambassador to China. We were also very fortunate to welcome the Economic Secretary to the Treasury, John Glen MP, at all our Leadership Council meetings bar one.

**Delivered our first fully in-person Annual Conference since before the pandemic,** sponsored by EY and kindly supported by Citadel Securities and DLA Piper and attracting over 340 delegates. The event included keynote addresses, panel discussions and ‘in conversation’ sessions with senior speakers including the Economic Secretary to the Treasury; Shadow Chancellor of the Exchequer; Executive Director, Markets, Financial Conduct Authority; and the Founder & CEO of Revolut.

**Held our Annual Dinner for the first time since the pandemic, in partnership with Shearman & Sterling,** which was a great success with members, senior stakeholder and policymakers in attendance. Held at The Londoner Hotel in Leicester Square, speeches were delivered by the Governor of the Bank of England, the Economic Secretary to the Treasury and our former Leadership Council Chairman. Media coverage stemming from the speeches was extensive, with around 560 articles generated, all of which mentioned our event as the platform for their delivery.



Extraordinary Leadership Council meeting with the Rt. Hon. Nicola Sturgeon MSP, First Minister of Scotland

**Further strengthened relationships with senior stakeholders across government,** in particular within HM Treasury, DIT, BEIS, MoJ, the Department for Levelling Up, Housing and Communities and the FCDO. Given the scale and breadth of our industry we have a key role to play in many of the policy debates led by these departments and others across Westminster. It has therefore been positive to see government adopting policy ideas we have promoted on areas such as international trade, skills and regional development. We also bring our members together with the most senior levels of government - including a recent and productive meeting with Rt Hon Nadhim Zahawi MP, Chancellor of the Exchequer, and members at No 11, and a separate Extraordinary Leadership Council meeting with him to discuss key industry issues.

**Continued to produce our series of highly-regarded economic research reports underlining the value of the industry as a national asset**, with messaging regularly played back in speeches by cabinet ministers, policymakers and other key stakeholders. These include the myth that ‘financial services’ and ‘the City’ are synonyms, that two thirds of industry jobs are outside London, that the industry contributes £76bn in tax each year, and that ours is the biggest exporting industry in the UK. The data from these publications are used in ongoing engagements with ministers, constituency MPs and other key stakeholders to stress the contribution of the industry to the wider economy and regional and national economies, and to people’s everyday lives.



Member meeting at No 11 with Rt Hon Nadhim Zahawi MP, Chancellor of the Exchequer



Miles Celic, CEO, TheCityUK, John Glen MP, former Economic Secretary to the Treasury, Sir Adrian Montague, former Chairman of TheCityUK Leadership Council and Andrew Bailey, Governor of the Bank of England at TheCityUK Annual Dinner 2022

**UK regions and nations**

**Successfully delivered our 2021 National Conference** in Bristol and online attracting over 170 delegates and a strong line-up of speakers and panellists, including keynotes from the Head of FCA Scotland; Shadow Chancellor; Economic Secretary to the Treasury; and the Minister for Levelling Up, The Union and Constitution. Held in partnership with PwC and supported by Marsh and Hargreaves Lansdown, this was our first hybrid conference and first major in-person event post pandemic.

**Set out a series of policy recommendations to reinforce the industry’s role in the wider economy** around key areas such as data, infrastructure, skills, green growth, exports and devolution drawn from the findings in our ‘Enabling growth across the UK 2021’ report. This annual update provides an evaluation of the industry’s economic contribution across the regions and nations of the UK.

TheCityUK plays an important role in promoting the financial and professional services sector in UK regions. They provide a valuable forum to meet and interact with key sector leaders. We look forward to continued collaboration in support the growth of the sector in the West Midlands.

**Tracey Davenport, Financial & Professional Services lead, West Midlands Growth Company**



Panel session with senior stakeholders at TheCityUK National Conference 2021, held in Bristol and online

**Driving forward the levelling-up agenda** by using the Levelling Up and Regeneration Bill to engage with stakeholders and highlight the role our industry can play. Our outreach has included briefing around 100 MPs on what else the Bill could have included to maximise the contribution our industry can make to levelling up, ahead of its second reading.

**Worked closely with our Regional and National Chairs** (previously known as 'City Chairs') to shape our policy agenda, drawing on their insight and expertise to identify key areas for focus. These have included reform of the apprenticeship levy, sustainability and social mobility – issues that have been key themes in our discussions with policymakers and local stakeholders through our events, advocacy work and bilaterals.

**Continued to deliver a series of events and engagement opportunities across the regions and nations.**

These have included policymaker roundtables with high-profile figures such as Emma Hardy MP, Alexander Stafford MP and Clive Betts MP, who is also Chair of the Levelling Up Select Committee. A roundtable discussion was also held with officials from HM Treasury leading on the creation of the government's new Economic Campus in Darlington, giving members a valuable insight into how the movement of government departments and regulators outside London could create opportunities and better engagement with the industry.

**Engaged members across the country in policy discussions** through initiatives such as our events series in collaboration with the independent HMT, BEIS and City of London Corporation Socio-Economic Taskforce. Through our network of Regional and National Chairs, who have continued to act as conveners for members and other local stakeholders, we have progressed our advocacy work on key national issues impacting the industry across the regions and nations.

## Green and sustainable finance

As a bank committed to net zero, BNP Paribas' collaboration with TheCityUK on industry research aims to progress the narrative on sustainable finance and evolve the debate on the tools, materiality and robustness of finance to create a greener tomorrow.

**Anne Marie Verstraeten, UK Country Head, BNP Paribas**

**Prioritised showcasing the industry's enabling role in supporting the transition to net zero and best-practice examples** at our successful COP26 event, delivered alongside the Green Finance Institute and City of London Corporation. We also joined a panel hosted by the City of London Corporation at Mansion House to discuss the 'Green Global Playbook' being developed as a result of COP26 and how our industry can contribute.



Miles Celic, CEO, TheCityUK, speaking at the Green Horizon Summit at COP26

**Continued to drive the conversation around sustainability with key stakeholders pre-COP.** We welcomed Lord Grimstone as a panellist at an event in Milan in partnership with the British Embassy in Italy, ran an Anglo-Italian Financial Services Dialogue meeting and joined the Anglo-Italian Pontignano Conference in Siena alongside the Economic Secretary to the Treasury. We have engaged with green finance and decarbonisation policymakers and with member support, participated in research carried out on behalf of the Climate Change Committee and the Bankers for Net Zero. We have also facilitated dialogues on cross-border sustainable finance issues in different regions through our various MAGs.

**Published a new 'Green finance: a quantitative assessment of market trends' report,** in partnership with BNP Paribas and with data provided by Refinitiv, highlighting that the UK is well placed to take advantage of the opportunities presented by green finance. As well as quantifying global green finance over the last decade, the analysis showed that although green finance remains a relatively small part of global financial markets, it is

a segment which has shown consistent growth, with clear signs of acceleration in recent years. We also hosted a roundtable in Brussels with key EU stakeholders to discuss the report's findings and the broader subject of sustainability and to explore emerging trends.

**Set out clear policy asks to enable green and transition financing opportunities to scale up** in our responses to three major calls for evidence from the Government. These included: HMG's update to its Green Finance Strategy; HMG Transition Plan Taskforce on a Sector Neutral Framework for Transition Plans; and House of Commons Environmental Audit Committee on the financial sector and the UK's transition to net zero.

**Engaged with key policymakers and government on net zero and green finance,** including holding a member roundtable with Gareth Davies, Second Permanent Secretary of the Department for Transport, to discuss the industry's role in supporting the transition to net-zero in transport, and presenting at Westminster Business Forum Policy Conference on positioning the UK as a net-zero financial centre, which was chaired by the then Chair of the All-Party Parliamentary Group on Sustainable Finance, Ed Davey MP.



Launch event for our 'Green finance: A quantitative assessment of market trends' report, in partnership with BNP Paribas

# Corporate strategy



**Maintained high levels of member satisfaction with a retention rate of 97%** and received solid feedback in our latest member survey. Highlights included 92% of members saying that we are effective at being the 'voice of the industry', and 91% saying we're effective at building and maintaining relationships with policymakers and officials. Nine in ten members think we successfully advance the interests of members and that our objectives and activities align with theirs – a positive sign that our strategy continues to be focused in the right areas.

**Broadened membership offer**, introducing a new SME level to attract small, high-growth firms into membership and launched the Business Council – a new innovation targeted at disruptors, smaller members and innovators. As a complementary group to the Leadership Council, the Business Council provides these members with a senior, Chatham House-style forum to constructively engage with the government, opposition MPs, regulators, and other stakeholders to promote and champion the role of the industry in the UK economy. It is chaired by Alasdair Haynes, CEO of Aquis Exchange.

**Continued to maintain a strong media profile and presence** in regional, national and international outlets on key issues, debates and current affairs. Coverage remained consistent with the previous year, with well over 5,400 news pieces generated across 100 countries, but with a year-on-year increase in total audience reach of 28%. Coverage included 10 front-page news stories in the likes of the Financial Times, The Daily Telegraph, City A.M. and the Yorkshire Post and 86 broadcast mentions across outlets such as Bloomberg Radio and TV, Sky News, Times Radio, BBC Radio 2 and 4, and local BBC radio stations. Overall, coverage generated was largely driven by our commentary on key industry issues and topical events, as well as our own reports, events and activities, with particular focus on our international strategy, UK regulatory reforms, immigration reform, industry exports and economic contribution, and sustainability. We have enhanced our social media activity, ensuring more consistent posting and generating stronger engagement. Twitter followers are up 3% year on year and LinkedIn up 21%. Our media roundtable series returned towards the end of 2021, with brief pause in early 2022 due to Covid restrictions. Four events have been held with leading journalists from the FT, BBC and The Times and several are scheduled for the coming months.



**Enhanced our communication channels and output with a strong digital first focus**, including designing and launching a new, more intuitive, visually appealing and user-friendly website alongside a new email communications platform. Our email platform has allowed us to deliver personalised and automated communications, enabling the segmentation of our audiences and ability to be more targeted in our marketing. Open rates continue to remain above industry average at 23%. Our new website will, over time, also enable us to extract richer data to better inform our ongoing marketing activities, further enhance our member engagement, and link with our other core platforms. Early analysis has shown that the average time people spend on our new website has increased by 32% and the bounce rate is down by 24%. We will continue our focus on clear, concise communication to keep our members informed and engaged on our activity and outcomes.

“Excellent offering by TheCityUK with very good communication with its members to keep them up to date on activities.”

TheCityUK member



TheCityUK Executive Committee

**Continued to focus on diversity, equity and inclusion (DE&I) as an organisational priority.** As well as our ongoing representation on the independent HMT, BEIS and City of London Corporation Socio-Economic Taskforce, we have delivered a series of regional roundtables on social mobility and how to progress that within the industry, held an insightful panel session at our 2021 National Conference focused on a range of DE&I issues, and spoken on panels at external events. Through our D&I Exchange and ongoing activity, we also continue to work closely with members and stakeholders to amplify good work and initiatives. We have established a new partnership with Urban Synergy, a youth empowerment charity, offering work experience placements and mentoring. We’re also working with the Taylor Bennett Foundation, a charity that encourages people from ethnic communities to pursue a career in communications, and have recruited an intern to join the team for up to 12 months. Our ongoing programme of employee DE&I training sessions continues, covering a breadth of areas across the year.

**Continued to deliver 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 2021) we exceeded our target of ensuring a 40:60 female:male ratio across our senior management team, at 46:54 – a year-on-year increase on senior female representation of almost 10%. As part of our signatory to the Race at Work Charter, we continue to make good progress on all our commitments, including the capturing and reporting of ethnicity data from colleagues. Of the 39 employees included in our data capture, the majority, 61%, are from a ‘white’ background (a 6% year-on-year decrease), 20% are from a ‘Black’ or ‘Asian’ background (up 3% from last year), and 12.5% identified as ‘mixed-Asian’, ‘mixed-Black’, mixed-White’ or ‘other’, with 13% preferring not to say. This data will be used as an ongoing baseline and inform HR objectives for the next financial year. We have become a Disability Confident Committed employer, have signed the Menopause Workplace pledge and continue to be a Social Mobility Pledge accredited employer.

# 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 2022		
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		✓
Dr Kay Swinburne	✓	
Jonathan Whitehouse		
Stuart Williams		
Sir David Wootton	✓	

## Matters reserved for the Board’s attention

- The Board has a formal schedule of matters reserved for its decision covering the following areas:
- objectives and strategy
  - membership
  - financial reporting, internal controls, risk and capital management
  - corporate governance, Board, and other appointments
  - delegation of authority
  - material contracts.
  - structure
  - management
  - transactions
  - remuneration and pensions
  - policies

## Committees

The Board operates through clearly identified Board committees to which it delegates certain powers. These are the Finance and Audit and 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 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 Nominations Committee leads the process for Board appointments. It vets and presents to the Board potential new Directors. All new appointees undergo a nomination process before the Board considers their appointment. In addition, it shall review and make recommendations to the Board about the Company's remuneration policy and specifically about the remuneration package of the Chief Executive Officer.

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

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

## Board meetings

The Board scheduled five meetings during the year ended 31 March 2022. 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 2021 - 31 March 2022				
Directors	Date Appointed (A) or Resigned (R)	Regular Board Meetings	Finance and Audit Committee	Remuneration and Nominations Committee
Meetings Held:		5	2	3
Omar Ali	-	5	-	3
Edward Braham	-	4	-	2
Miles Celic	-	5	2	2
Galina Dimitrova	-	4	-	-
Huw Evans	(R) 1 August 2022	4	1	-
Adam Farkas	(A) 1 March 2022	1	-	-
Hannah Gurga	(A) 1 March 2022	1	-	-
John Heaps	-	4	2	-
Andrew Kail	(R) 30 June 2021	1	1	-
Catherine McGuinness	(R) 8 June 2022	5	-	1
Sarah Melvin	-	4	-	-
David Postings	-	5	-	-
Dr Kay Swinburne	-	5	1	-
Mark Tucker	(R) 2 June 2022	5	-	3
Rick Watson	(R) 1 August 2022	4	-	-
Jonathan Whitehouse	-	5	-	-
Bob Wigley	(R) 15 April 2021	-	-	-
Stuart Williams	(A) 15 April 2021	5	-	-
Sir David Wootton	-	5	-	-

Board performance appraisal

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

Re-election of Directors

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

Board independence

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

Company information

Directors

O Ali	E C Braham
M Celic	G R Dimitrova
H D Evans (Resigned 1 August 2022)	A Farkas
H Gurga	C Hayward (Appointed 15 June 2022)
J R Heaps	C S McGuinness (Resigned 8th June 2022)
S L Melvin	D J Postings
A Richards DBE (Appointed 8 June 2022)	Dr J K Swinburne
M E Tucker (Resigned 2 June 2022)	R J Watson (Resigned 1 August 2022)
J P Whitehouse	S G Williams
Sir D H Wootton	

Company secretary

J S Green

Registered number

07088009

Registered office

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

Independent auditor

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

# Directors’ report

## for the year ended 31 March 2022

The directors present their report and the financial statements for the year ended 31 March 2022.

### Principal activity

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

The Company does this in two principal ways; firstly, by building evidence to demonstrate the sector’s contribution to society and sustainable economic growth, and secondly, by bringing together the highest levels of Government and the 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 profit for the year, after taxation, amounted to £147,144 (2021 - £434,474).

No dividends were paid or proposed during the year (2021 - £Nil).

### Impact of Covid-19

As we emerge from the Covid-19 pandemic, the short-term threat to our ability to generate revenue through our events programme and overseas markets work has been abated due to the flexible approach we have taken to deliver the revenue streams. We have invested in our IT infrastructure to ensure that we are able to hold events and meetings both in person and remotely – this has enabled us to resume all our planned programmes and has resulted in our revenues from non-membership being returned to pre-pandemic levels.

The longer-term threat does remain, albeit on a reduced level from the previous years, where some of our members may still face cost challenges as the full financial impact of the pandemic becomes clearer in their own business, and as a result they may be forced to review their membership. We will keep the movements in the membership under review and will update the Board regularly as we progress through the year with the emerging trends.

As a result of the investments made in IT, we have also adapted our policies to move to a more flexible way of working to help offset any impact of the pandemic to our staff and their personal circumstances.

### Retained earnings policy

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

### Directors

The directors who served during the year were:

O Ali	E C Braham
M Celic	G R Dimitrova
H D Evans (Resigned 1 August 2022)	A Farkas (appointed 1 March 2022)
H Gurga (appointed 1 March 2022)	J R Heaps
C S McGuinness (Resigned 8 June 2022)	S L Melvin
D J Postings (appointed 15 April 2021)	Dr J K Swinburne (appointed 19 May 2021)
M E Tucker (Resigned 2 June 2022)	R J Watson (Resigned 1 August 2022)
J P Whitehouse	S G Williams (Resigned 15 April 2021)
Sir D H Wootton	A Kail (resigned 30 June 2021)
R C M Wigley (resigned 15 April 2021)	

### 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, 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: 27 July 2022

## Directors' responsibilities statement

### for the year ended 31 March 2022

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 2022

	Note	2022 £	2021 £
<b>Turnover</b>		<b>6,183,590</b>	<b>5,957,329</b>
Cost of sales		(896,990)	(741,426)
<b>Gross profit</b>		<b>5,286,600</b>	<b>5,215,903</b>
Administrative expenses		(5,283,663)	(5,031,628)
<b>Operating (Loss)/profit</b>	5	<b>2,937</b>	<b>184,275</b>
Interest receivable and similar income		298	3,732
Gain/(loss) on current asset investments	12	143,909	246,467
<b>Profit (Loss)/before tax</b>		<b>147,144</b>	<b>434,474</b>
Tax on profit	8	-	-
<b>Profit/(Loss) for the financial year</b>		<b>147,144</b>	<b>434,474</b>

There was no other comprehensive income for the year 2022 (2021:£nil).

The notes on pages 48 - 62 form part of these financial statements.

## Statement of financial position as at 31 March 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	9	475,536	513,923
Investments	10	220	220
		<b>475,756</b>	<b>514,143</b>
<b>Current assets</b>			
Debtors: amounts falling due within one year	11	2,555,855	637,626
Current asset investments	12	1,596,782	1,071,142
Cash at bank and in hand		3,179,110	2,500,246
		<b>7,331,747</b>	<b>4,209,014</b>
Creditors: amounts falling due within one year	14	(5,630,013)	(2,710,811)
<b>Net current assets</b>		<b>1,701,734</b>	<b>1,498,203</b>
<b>Total assets less current liabilities</b>		<b>2,177,490</b>	<b>2,012,346</b>
<b>Provisions for liabilities</b>			
Provisions	15	(43,500)	(25,500)
<b>Net assets</b>		<b>2,133,990</b>	<b>1,986,846</b>
<b>Capital and reserves</b>			
Retained earnings	16	2,133,990	1,986,846
<b>Total capital and reserves</b>		<b>2,133,990</b>	<b>1,986,846</b>

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: 27 July 2022

The notes on pages 48 - 62 form part of these financial statements.

## Statement of changes in equity for the year ended 31 March 2022

	Retained earnings £	Total equity £
<b>At 1 April 2020</b>	<b>1,552,372</b>	<b>1,552,372</b>
<b>Comprehensive income for the year</b>		
Profit for the year	<b>434,474</b>	<b>434,474</b>
<b>At 1 April 2021</b>	<b>1,986,846</b>	<b>1,986,846</b>
<b>Comprehensive income for the year</b>		
Profit for the year	<b>147,144</b>	<b>147,144</b>
<b>At 31 March 2022</b>	<b>2,133,990</b>	<b>2,133,990</b>

## Statement of cash flows for the year ended 31 March 2022

	2022 £	2021 £
<b>Cash flows from operating activities</b>		
Profit/(loss) for the financial year	<b>147,144</b>	<b>434,474</b>
<b>Adjustments for:</b>		
Depreciation of tangible assets	<b>150,563</b>	<b>147,694</b>
Interest received	<b>(298)</b>	<b>(3,732)</b>
Increase in debtors	<b>(1,918,229)</b>	<b>(34,786)</b>
Increase in creditors	<b>2,919,202</b>	<b>498,389</b>
Increase in provisions	<b>18,000</b>	<b>18,000</b>
Net fair value gains on current asset investments	<b>(125,640)</b>	<b>(246,467)</b>
<b>Net cash generated from operating activities</b>	<b>1,190,742</b>	<b>813,572</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	<b>(112,176)</b>	<b>(52,040)</b>
Purchase of current asset investments	<b>(400,000)</b>	<b>-</b>
Sale of current asset investments	<b>-</b>	<b>14,263</b>
Interest received	<b>298</b>	<b>3,732</b>
<b>Net cash used in investing activities</b>	<b>(511,878)</b>	<b>(34,045)</b>
<b>Net increase in cash and cash equivalents</b>	<b>678,864</b>	<b>779,527</b>
Cash and cash equivalents at the beginning of the year	<b>2,500,246</b>	<b>1,720,719</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>3,179,110</b>	<b>2,500,246</b>
<b>Cash and cash equivalents at the end of the year comprise:</b>		
Cash at bank and in hand	<b>3,179,110</b>	<b>2,500,246</b>

## Notes to the financial statements for the year ended 31 March 2022

### 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, including an assessment of the potential longer-term impact of the COVID-19 pandemic. The longer-term impact of the Covid-19 pandemic on the Company remains uncertain and as a result is unquantifiable at this stage.

The short-term threat to our ability to generate revenue through our events programme and overseas markets work has been abated due to the flexible approach we have taken to deliver the revenue streams. We have

invested in our IT infrastructure to ensure that we are able to hold events and meetings both in person and remotely – this has enabled us to resume all our planned programmes and has resulted in our revenues from non-membership being returned to pre-pandemic levels. The income generated comprises a relatively small component of revenue, but does make a contribution to overall costs.

The longer-term threat does remain, albeit on a reduced level from the previous years, where some of our members may still face cost challenges as the full financial impact of the pandemic becomes clearer in their own business, and as a result they may be forced to review their membership. We will keep the movements in the membership under review and will update the Board regularly as we progress through the year with the emerging trends.

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

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

#### 2.4 Turnover

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

##### *Subscriptions*

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

##### *Grant income*

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

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

2. Accounting policies (continued)

*Other income*

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

All income relates to the United Kingdom.

2.5 Cost of sales

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

2.6 Operating leases: the Company as lessee

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

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

2.7 Interest income

Interest income is recognised in the Statement of Comprehensive Income 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 the Statement of Comprehensive Income.

2.9 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

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 the Statement of Comprehensive Income 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 the Statement of Comprehensive Income 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 statement of financial position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the statement of financial position date.

2.11 Pensions

**Defined contribution pension plan**

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

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

2.12 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.

## 2. Accounting policies (continued)

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

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

### 2.13 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 the Statement of Comprehensive Income.

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

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

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

### 2.14 Taxation

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

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

Since the Company acts as a not-for-profit mutual organisation with the intention of benefiting its members, profits from trading with members are outside the scope of corporation tax. The Company therefore does not provide for corporation tax on any surplus generated from these membership activities, except in relation to corporation tax on investment gains (less any corporation tax losses brought forward).

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

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

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

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

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 2022, investments were valued at £1,596,782 (2021 - £1,071,142), of which £143,909 was recognised as a gain during the year (2021 - £246,467).

**Trade debtor recoverability**

The trade debtors balances of £2,111,819 (2021 - £212,094) recorded in the Statement of Financial Position comprise a number of membership invoices relating to the new financial year that were raised and posted to the accounts one month in advance of their renewal date and therefore increased the outstanding debtors substantially from the previous year. A full line by line review of trade debtors is carried out by management at the end of each month. Whilst every attempt is made to ensure that the bad debt provisions are as accurate as possible, there remains a risk that the provisions do not match the level of debts which ultimately prove to be uncollectible.

**Dilapidation provision**

The dilapidation provision of £43,500 (2021 - £25,500) is based upon the best estimate of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. However, there remains a risk that the provision does not match the level of cost ultimately required.

4. Grant income

There are no unfulfilled conditions attached to the grant income recognised. Grant income has been received in relation to projects undertaken as well as rental and services undertaken under a service level agreement; further information on the funding from the City of London Corporation is described within note 19.

5. Operating profit

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

	2022 £	2021 £
Operating lease rentals	368,772	374,047
Pension costs	166,488	175,407

6. Auditor's remuneration

	2022 £	2021 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	17,250	15,785
<b>Fees payable to the Company's auditor and its associates in respect of:</b>		
Taxation compliance services	3,475	3,235
Other services relating to taxation	680	6,000
All other services	1,230	1,120
	5,385	10,355

7. Employees

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

	2022 No.	2021 No.
Average number of employees	39	41

The average number of directors who served during the year was 17 (2021 - 15), 1 of which received remuneration during the year (2021 - 1).

8. Taxation

	2021 £	2020 £
Current tax	-	-
Total current tax		
Deferred tax	-	-
Total deferred tax		
Taxation on profit on ordinary activities	-	-

The Company has an unrecognised deferred tax asset of £108,585 (2021 - £144,166).

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% (2021 - 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. A small-profits rate will also apply from that date reducing tax for profits up to £250k to a minimum of 19%. The full anticipated effect of these changes is reflected in the above deferred tax balances.

9. Tangible fixed assets

	Long-term leasehold property £	Fixtures and fittings £	Office equipment £	Total £
<b>Cost</b>				
At 1 April 2021	427,674	154,542	311,836	894,052
Additions	3,525	5,822	102,829	112,176
At 31 March 2022	431,199	160,364	414,665	1,006,228
<b>Depreciation</b>				
At 1 April 2021	60,457	75,243	244,429	380,129
Charge for the year	42,891	49,172	58,500	150,563
At 31 March 2022	103,348	124,415	302,929	530,692
<b>Net book value</b>				
At 31 March 2022	327,851	35,949	111,736	475,536
At 31 March 2021	367,217	79,299	67,407	513,923

10. Fixed asset investments

	Investments in subsidiary companies £
<b>Cost</b>	
At 1 April 2021	220
At 31 March 2022	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 2022 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 £
TCUK Trading Limited	(880)	-

11. Debtors

	2022 £	2021 £
Trade debtors	2,111,819	212,094
Amounts owed by group undertakings	4,703	5,703
Prepayments and accrued income	439,333	419,829
	2,555,855	637,626

12. Current asset investments

	2022 £	2021 £
Current asset investments	1,596,782	1,071,142

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 (2021 - £898,827). Additions of £400,000 was made during the period (2021 - £Nil). Fair value gains during the year are £143,909 (2021 - £246,467) and have been recognised in the Statement of Comprehensive Income as part of gains on current asset investments.

13. Analysis of net debt

	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
Net funds	2,500,246	678,864	3,179,110

14. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	255,844	368,767
Other taxation and social security	24,019	18,329
Deferred income	4,425,666	1,551,389
Accruals and other creditors	924,484	772,326
	5,630,013	2,710,811

15. Provisions

	Dilapidation provision £
At 1 April 2021	25,500
Charged to the Statement of Comprehensive Income	18,000
At 31 March 2022	43,500

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.

16. Reserves

Retained earnings

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

17. 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.

18. 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 £166,488 (2021 - £175,407). Contributions totalling £23,303 (2021 - £23,847) were payable to the fund at the reporting date and are included in creditors.

19. Commitments under operating leases

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

	2022 £	2021 £
Not later than 1 year	417,532	421,071
Later than 1 year and not later than 5 years	1,647,257	1,655,270
Later than 5 years	969,382	1,377,405
	3,034,171	3,453,746

20. Related party transactions

The Company received funding of £400,000 (2021 - £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 (2021 - £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 (2021 - £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 (2021 - £Nil) was outstanding.

During the year, the Company was invoiced £152,320 (2021 - £287,644) by the City of London Corporation for rates. At the year end, the Company owed £152,320 (2021 - £151,200) which is included within creditors.

During the year, TheCityUK settled costs on behalf of the Financial Services Skills Commission (the “Commission”) of £7,539 (2021 - £62,495) which were recharged at cost. At the year end, £9,047 (2021 - £74,994) 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 £1,035,006 (2021 - £1,323,342).

21. Controlling party

The directors consider there to be no ultimate controlling party.

22. Auditor information

The auditor’s report on the financial statements prepared for the members was unqualified and the auditor drew attention by way of emphasis to note 2.3 which describes the impact of Covid-19 on the Company. The auditor’s report was signed by Giles Murphy of CLA Evelyn Partners as senior statutory auditor.

# TheCityUK

TheCityUK, Fitzwilliam House, 10 St Mary Axe, London, EC3A 8BF

**[www.thecityuk.com](http://www.thecityuk.com)**

## MEMBERSHIP

To find out more about TheCityUK and the benefits of membership visit **[www.thecityuk.com](http://www.thecityuk.com)** or email us at **[membership@thecityuk.com](mailto:membership@thecityuk.com)**

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