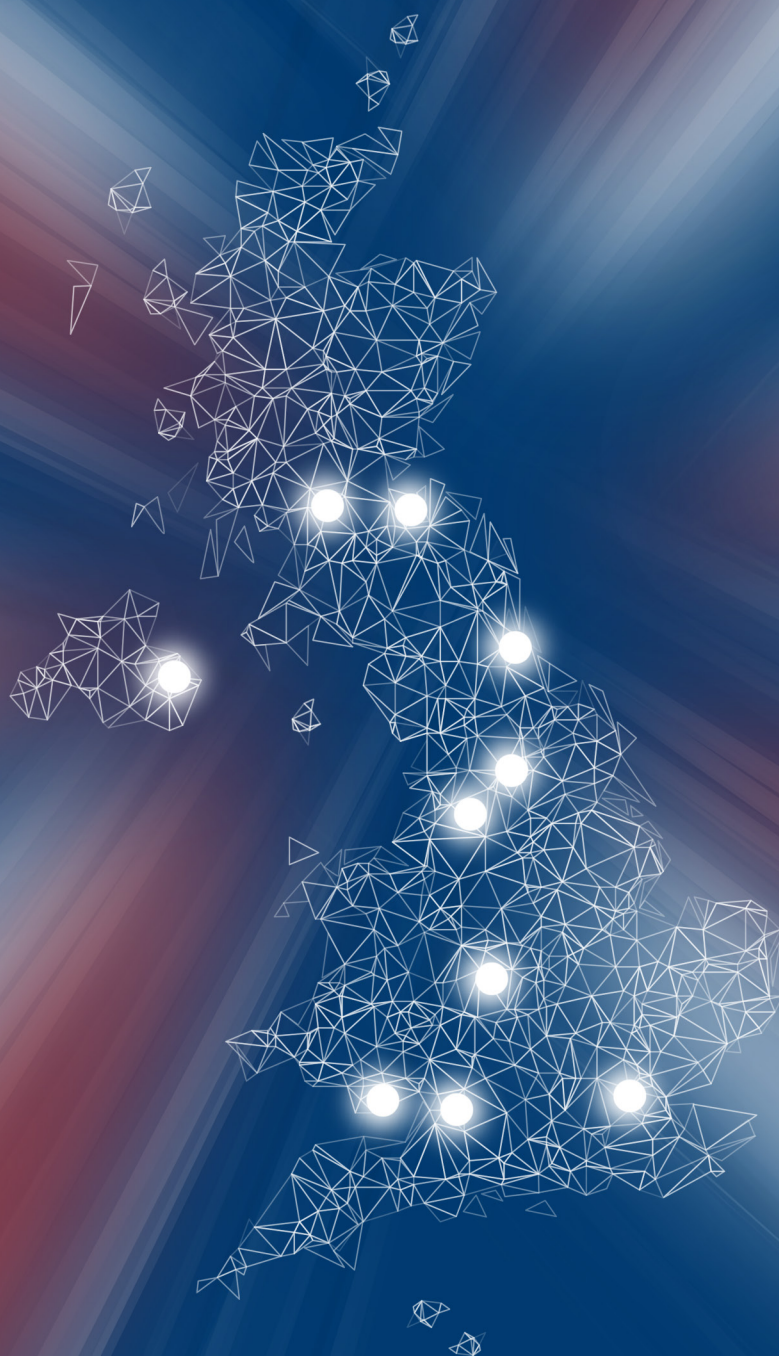


SUSTAINING OUR NATIONAL ASSET

ANNUAL REPORT AND ACCOUNTS 2018-2019



ABOUT THECITYUK

TheCityUK is the industry-led body representing UK-based financial and related professional services. In the UK, across Europe and internationally, we promote policies that drive competitiveness, support job creation and ensure long-term economic growth. The industry contributes over 10% of the UK's total economic output and employs 2.3 million people, with two thirds of these jobs outside London. It is the largest tax payer, the biggest exporting industry and generates a trade surplus almost equivalent to all other net exporting industries combined.

THECITYUK IN NUMBERS

"TheCityUK has worked tirelessly to promote the UK's financial and professional services sectors, helped maintain the UK's reputation and has attracted new talent. It has continued to highlight the importance of the financial sector across the country, not just in London."

Mark Carney, Governor, Bank of England

9 IN 10

MEMBERS RATE
US FAVOURABLY



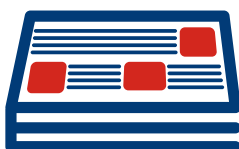
85%

OF MEMBERS HIGHLY
RATE OUR EFFECTIVENESS



6,363

BROADCAST, PRINT
AND ONLINE NEWS PIECES



75%

OF MEMBERS SAY WE
EFFECTIVELY REPRESENT
AND PROMOTE THE INDUSTRY
ACROSS ALL REGIONS AND
NATIONS OF THE UK



9 IN 10

MEMBERS WOULD RECOMMEND OUR
MATERIALS TO A PEER OR COLLEAGUE

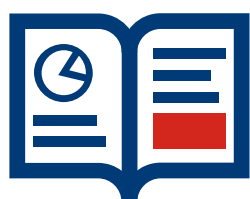


263

EVENTS AND MEETINGS WITH

5,506

ATTENDEES



19 PUBLICATIONS
PRODUCED



5,945
REPORT DOWNLOADS

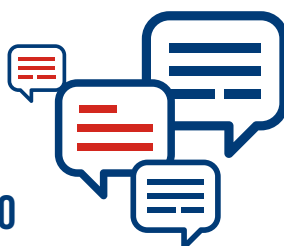
43

THECITYUK
DELEGATIONS/VISITS
ACROSS THE WORLD



9 IN 10

MEMBERS SAY WE MAKE A
SIGNIFICANT CONTRIBUTION TO
DEBATES CONCERNING THE INDUSTRY

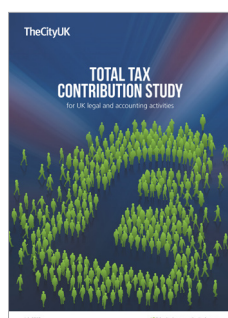
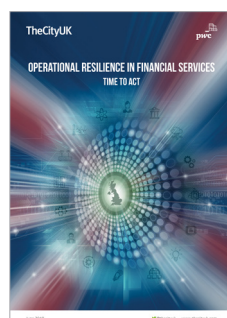
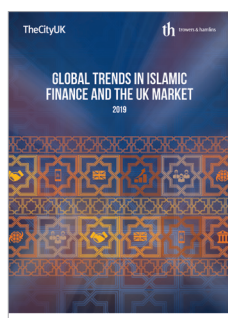
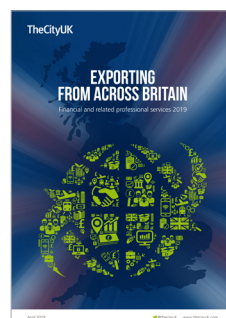
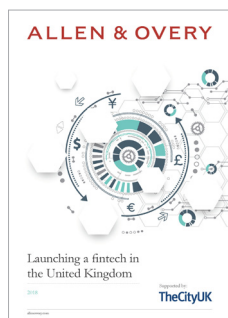
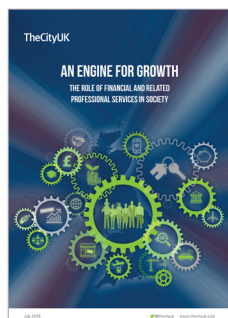


89%

OF MEMBERS
HAVE A CLEAR
UNDERSTANDING
OF OUR ROLE AND OBJECTIVES



THECITYUK PUBLICATIONS



This is inclusive of the time period July 2018 - July 2019

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BOARD CHAIRMAN'S STATEMENT

Financial and related professional services is the UK's largest and most successful industry. Over centuries, we have developed a vast and unique ecosystem of institutions that is not only absolutely vital to the UK economy but also makes a real difference to people in their daily lives.

Despite this, we face the twin challenges of demonstrating our value to the British public after a damaging loss of trust, and of navigating through a period of continued transformation. Political uncertainty in the UK, trade tensions between the US and China, changes in the top EU roles and rapid technological change are among the factors reshaping the external environment.

Against this backdrop, I was delighted to be asked and – with some trepidation – took over as Chairman of TheCityUK Board on 1 June. I would like to thank my predecessor, John McFarlane, for the excellent job he did over the past three years, the last of which is covered by this Annual Report and Accounts. Over the next three years, my goal will be to build on those successes by enhancing the reputation of the UK and its financial and related professional services and by strengthening us as we make the most of the great opportunities ahead.

Strong, consistent advocacy underpinned by sectoral expertise will be essential as our industry and our country navigate these times of change. To ensure TheCityUK plays its full part in securing and sustaining a thriving UK-based financial and related professional services industry, I have set out three priorities for my tenure.

The first is to promote the enormous benefits that financial and related professional services bring to the UK economy and to the people of the UK in their daily lives, especially in times of change and opportunity. These benefits are rarely understood – or even accepted – outside our industry following the understandable loss of public trust in us after the financial crisis. We must explain clearly and convincingly to the media, politicians and the public the vital economic and societal benefits we bring.

My second priority is to focus on the key issues that will determine our present and future success, foremost among which will be the UK's trading and investment relationships with Europe and other major markets around the world. It is vital that we forge a way forward on Brexit. Our position remains that we want the government to negotiate the best possible access for financial and related professional services within the EU. TheCityUK stands ready to play its part.

Irrespective of Brexit, the UK must engage constructively with its key partners to protect and promote its place in the world. The continued growth of Asian economies, reforms that will further open up China's economy and a strong US economy underline the opportunities that exist for countries that are open, outward-facing and connected. I was particularly pleased that TheCityUK played such an important facilitating role in the successful Financial Services Summit that took place alongside the UK-China Economic and Financial Dialogue in London in July.

My third priority is to ensure that we make progress together by presenting a coherent and united front that allows the industry – collectively – to operate as more than the sum of its parts. Our trade associations and representative bodies are at the forefront of efforts to promote our interests but, at times, it may seem as if they are in competition with each other. With the opportunities and challenges ahead, our representatives need to be fully aligned, focused on our priorities and equipped with the right capabilities.

Since taking over as Chairman in June, I have been listening carefully to the views of my fellow members and other organisations that interact with TheCityUK. I would like to thank all those who have contributed so far. Your feedback and views are of paramount importance in ensuring that TheCityUK remains strategically aligned with our members and key industry stakeholders. We will continue to take your views into account as we pursue our shared agenda.

I would also like to place on the record my thanks to our directors for their invaluable contributions, to Paul Manduca and the Advisory Council for their guidance and support, and to our senior advisory groups and City Chairs for helping to steer TheCityUK's work. Finally, I would like to thank Miles Celic and the team at TheCityUK for their hard work, dedication and skill.

Next year will mark TheCityUK's 10th anniversary. Reaching such a milestone will enable us to celebrate the wide range of economic and societal benefits that a thriving financial and related professional services industry brings to the UK. But against a backdrop of continued change and healthy scepticism about our value and values, we must take greater responsibility and ensure our voice is heard. I have every confidence that, together, we can do so.

Mark Tucker

Board Chairman, TheCityUK



CHIEF EXECUTIVE OFFICER'S STATEMENT

The past year has unquestionably been dominated by Brexit: the negotiations between the UK and the EU27 to agree the Withdrawal Agreement, and the unsuccessful efforts by the government to secure its passage through Parliament. For our part, we have been tirelessly pursuing the industry's priorities for the negotiations, while also remaining focused on critical competitive issues beyond Brexit that will help ensure the industry's future success. Our activity has remained resolutely guided by the priorities of our members and we continue to engage with the most senior policymakers, regulators and industry stakeholders here in the UK, across Europe and internationally to influence policy outcomes to the industry's benefit.

While the Brexit negotiations have been at an impasse in Parliament, we have maintained our high level of engagement with the UK government, other major political parties and leading stakeholders in the UK, Brussels and across the EU. We have been clear to stress that a no-deal Brexit would be the worst of all outcomes for the industry, while also making the important point that firms are making the necessary adjustments to protect the interest of their customers and clients. These points have also been consistently reinforced through the media, in UK, EU and international outlets.

Now the country has a new Prime Minister with a clear agenda for the UK to leave the EU with or without a deal on 31 October, we will continue to stress the industry's position in relation to Brexit and work constructively with ministers and other stakeholders to support the best possible outcome. This has remained a significant programme of work and I am very grateful to all members who have continued to contribute so much time to supporting its delivery.

While Brexit remains a critical issue for the industry, there are many other urgent challenges and opportunities that we are focused on beyond Brexit to ensure the UK's continued status as a world-leading international financial centre. Our work with PwC in 2017 to set out a vision for transforming the industry continues to underpin this activity. Over the past year this has had a strong focus on future skills and talent needs, digitisation and innovation.

On skills and talent, work has progressed well on the Chancellor's Financial Services Skills Taskforce, led by Board Director Mark Hoban and convened by TheCityUK with support from the City of London Corporation and EY. As noted by the former Chancellor in his Mansion House speech, the Taskforce's interim findings were released in June, which underlined the sheer scale of the skills challenge facing the sector. Its final report will be published in November this year.

On innovation and digitisation, we launched a well-received publication on operational resilience with PwC and furthered our FinTech work, supporting a report by Allen & Overy on launching a FinTech in the UK (launched in San Francisco) and producing two reports focused on attracting FinTech talent (with Odgers Berndtson and Santander) and the benefits of shared platforms (with Deloitte and Santander). These publications feed into the FinTech workstream on the Chancellor's Financial Services Trade and Investment Board (FSTIB), for which TheCityUK is the private sector delivery partner. We also continue to work across the FSTIB's China, US and India workstreams.

Innovation was also the theme for our 2019 Annual Conference, in partnership with Accenture, attracting record attendance, a strong line-up of political keynotes and high favourability ratings from delegates. It also featured our new Board Chairman, Mark Tucker - HSBC Group Chairman - giving his first speech in his new role.

I am pleased to report similar feedback for our second National Conference, which was held in Birmingham last November, in partnership with CYBG. The strong attendance and senior-level speakers we secured, including the Rt Hon James Brokenshire MP, Secretary of State for Housing Communities and Local Government and Jonathan Reynolds MP, Shadow Economic Secretary to the Treasury, underlines how vital it is that we continue to impress the industry's position as a true national asset.

Our work to reinforce this across the regions and nations of the UK has continued to gain good momentum, actively supported by our network of City Chairs and in collaboration in Scotland with Scottish Financial Enterprise. As part of this work we have increased engagement with local politicians and stakeholders and launched a series of reports with specific regional and national data. I was particularly pleased to see the impact of this activity reflected in this year's member survey, where 75% of members said that we were effectively representing the industry across the country, up 12 percentage points on last year.

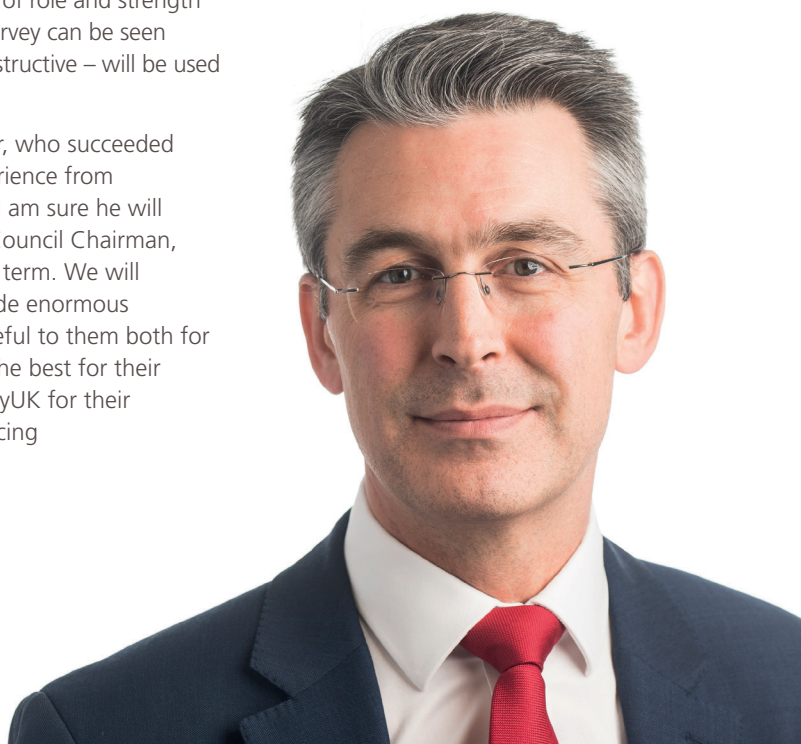
Our work with international markets has also continued to grow. We have strengthened industry relations with key markets, continuing to engage with Ambassadors, High Commissions and officials in market and in the UK under the auspices of our various Market Advisory Groups. We have continued to focus on influencing and inputting into future UK trade and investment policy, with data movement and digital trade remaining a dominant theme. Our work with developing international financial centres has also continued to expand, with significant support and interest from members. We have delivered some major projects in market in cooperation with the British Embassies in Astana and Moscow and the British Consulate in Istanbul, and secured funding for further activity over the coming year. We have also continued to promote the strengths of UK legal services and English law and critical professional services competitive issues.

All of our work is aimed at supporting the ongoing success of this world-leading industry. I remain very grateful to members for their continued engagement, contribution and participation in our work and for their time and resources. This support greatly enhances our impact and makes the positive results received from this year's member survey, conducted independently by Kantar, particularly welcome. Members continue to be very favourable towards us and rate highly our effectiveness, clarity of role and strength of relationship with their organisation. The key findings from the survey can be seen throughout this report and, as ever, all feedback – positive and constructive – will be used to inform and enhance our activity over the coming year.

I am delighted to welcome our new Board Chairman, Mark Tucker, who succeeded John McFarlane on 1 June this year. Mark brings a wealth of experience from across the financial and related professional services industry and I am sure he will make a significant impression on the organisation. Our Advisory Council Chairman, Paul Manduca, will step down in late September at the end of his term. We will be announcing his successor shortly. Both Paul and John have made enormous contributions to TheCityUK and the wider industry. I am very grateful to them both for their dedication to progressing our work and wish them both all the best for their future endeavours. Finally, I offer my thanks to the team at TheCityUK for their ongoing hard work, humour and enduring commitment to producing high-quality, high-impact outcomes for our members.

Miles Celic

Chief Executive Officer, TheCityUK



UK PROGRAMME

“TheCityUK is an excellent organisation. Very well focused on its objectives... its level of delivery is outstandingly high... its leadership is of the highest order... its Advisory Council has an extraordinarily impressive group of people around the table.”

TheCityUK member

Ongoing delivery of recommendations from ‘vision’ report to secure future industry competitiveness with a strong focus on skills, innovation and digitisation – major priorities for the industry. Work on the Chancellor’s Financial Services Skills Taskforce – which is focused on the sector’s future skills needs – has progressed well, with interim findings launched in June. The Taskforce, led by Mark Hoban and convened by TheCityUK, with support from the City of London Corporation and EY, will produce its final report in November. In consultation with the regulators, we produced a report on operational resilience with PwC and continue to engage with key stakeholders to deliver its recommendations. We have also continued to progress our work on FinTech for the FSTIB, producing two further reports looking at attracting FinTech talent (with Odgers Berndtson and Santander) and the benefits of shared platforms (with Deloitte and Santander).

Continued momentum for our UK-wide programme to promote the strength and opportunity of the industry beyond London, supported by our network of seven City Chairs in Bristol, Birmingham, Belfast, Cardiff, Leeds, Greater Manchester and Newcastle and in collaboration with Scottish Financial Enterprise in Scotland. We’ve increased engagement with local politicians and stakeholders; launched the second iteration of our regional exports report; and are using the data from our annual ‘Enabling growth across the UK’ report about industry jobs and GDP contributions to inform our ongoing activity. The latter report received strong endorsement from the First Minister of Scotland and generated significant media coverage in outlets across the country. Our Economic Research team has continued to produce this and other highly-regarded evidence-based reports that reinforce the strength of the industry across the UK. Its work stimulated an invitation from the House of Lords EU Financial Affairs Sub Committee for our Chief Economist & Head of Research to give oral evidence on financial services trade and investment post Brexit, as well as our wider economic research programme.

85%
OF MEMBERS



**SAY WE ARE EFFECTIVE
AT BUILDING AND
MAINTAINING RELATIONSHIPS
WITH POLICYMAKERS
AND REGULATORS**

TheCityUK member survey 2019



The Rt Hon Philip Hammond MP, Chancellor of the Exchequer, speaking at TheCityUK Annual Dinner, January 2019

“In the time I have been doing this job, my strong determination has been that TheCityUK is a highly respected trade association...We are confident that through engagement through TheCityUK, we have reached all the major sectors of the financial services sector.”

John Glen MP, Economic Secretary to the Treasury,
House of Commons, 20 February 2019 (Hansard)

Hosted our second National Conference in Birmingham, in partnership with CYBG, focused on growth opportunities across the UK. We welcomed around 200 senior delegates who heard keynotes from Rt Hon James Brokenshire MP, Secretary of State for Housing, Communities and Local Government; Jonathan Reynolds MP, Shadow Economic Secretary; and Sir John Peace, Chair of the Midlands Engine; as well as two lively panels focused on skills and industry growth and value. The 2019 National Conference will be held in Cardiff on 28 November.

Attracted record attendance at our 2019 Annual Conference, in partnership with Accenture, focused on innovation and digitisation. The 300 senior delegates gathered at the QEII Centre to hear keynotes from our new Board Chairman, Mark Tucker; John Glen MP, City Minister; Tom Tugendhat MP, Foreign Affairs Select Committee Chair; and Rt Hon Nicky Morgan MP, Treasury Select Committee Chair as well as two panel debates on talent and innovation. Member feedback was very positive: nine in 10 delegates said they had a good experience overall; all keynotes achieved above an 85% favourability rating; and 96% were very satisfied with the agenda.

Continued to secure senior stakeholder guests from the UK and international markets for events, meetings and roundtables including Cabinet ministers, shadow ministers, foreign Prime Ministers, Ambassadors, High Commissioners, regulators and senior government officials and envoys.

Ongoing engagement on critical professional services issues relating to Brexit and future competitiveness of the sector, including with the Lord Chancellor and Chancellor of the High Court and with BEIS. We co-chair a Taskforce on LawTech regulation with the Bank of England as part of our role on the UK LawTech Delivery Panel. We have also worked closely with our consultancy members on the future of audit, responding to the various government consultations and relevant news stories on this topic.

SENIOR POLICYMAKERS AND STAKEHOLDERS ENGAGED:

THERESA MAY **JEREMY HUNT** **JAMES BROKENSCHIRE**
ALUN CAIRNS **PHILIP HAMMOND** **BIM AFOLAMI** **JUSTINE GREENING**
CHUKA UMUNNA **JOHN GLEN** **GEORGE HOLLINGERY** **GRAHAM BRADY** **PAT MCFADDEN**
CHRIS PHILP **JOHN MCDONNELL** **DAVID GAUKE** **KEN CLARKE** **SAM WOODS** **DOMINIC GRIEVE** **TOM TUGENDHAT** **VINCE CABLE** **NICOLA STURGEON**
CHRIS LESLIE **JONATHAN HILL** **WILLIAM HAGUE** **ANDREW BAILEY** **DAVID LIDINGTON** **CHARLES RANDALL** **HILARY BENN** **JONATHAN REYNOLDS**

EUROPE PROGRAMME

“TheCityUK has performed strongly on Brexit, bringing together disparate views within the sector.”

TheCityUK member

Pursued the industry’s priorities for the Brexit negotiations with UK government, key stakeholders across the other political parties, regulators and through the media. This has included considerable focus on the resolution of technical cliff-edge issues – including contract continuity, data and other stability issues – and impressing the implications of a no-deal Brexit outcome for the industry. The Lord Chancellor and Secretary of State for Justice and other key legal services stakeholders have also been regularly engaged to discuss how vital English law and UK legal services are in the negotiations and to the UK’s ongoing competitiveness and we continue to participate in the Brexit Law Committee and the Professional Business Services Council’s Mutual Market Access Working Group. We have also continued to support HM Treasury on the inoperables arising from the EU Withdrawal Bill – work that has been gratefully acknowledged at various meetings by the City Minister John Glen MP.

Continued to ensure that our work and positions on Brexit are steered, informed and delivered through our various senior member groups and committees, including our Brexit Senior Steering Group, International Regulatory Strategy Group (IRSG) - alongside the City of London Corporation, EU Strategy Group, International Trade and Investment Group, LOTIS Committee, European Financial Services Chairmen’s Advisory Committee (EFSCAC) and others. We have also continued to work collaboratively with the sector trade associations to ensure complementarity of work. This has remained a fundamental aspect of our activity to ensure cross-sector consensus, avoid duplication and ensure maximum impact.



John McFarlane, TheCityUK Board Chairman, on Channel 4 News, November 2018

Maintained high levels of engagement with stakeholders and policymakers in Brussels and across the EU Member States both through in market delegations and visits as well as in London with senior-level visitors, Embassies and High Commissions. This activity has also included attendance at or participation in, relevant conferences, events and forums, including Eurofi in Bucharest, the Belvedere Forum in Warsaw, the International Financial Markets Conference in Lithuania, the ReFocus Conference on Brexit and worldwide reinsurance trade barriers in the US and a Ditchley Conference on the transatlantic community and global finance.

Strengthened bilateral EU industry engagement through our series of bilateral financial services dialogues with Germany, Italy and the Netherlands. These have been focused on a wide range of issues including Brexit as well as operational resilience, trade policy, FinTech, diversity and European competitiveness. We have continued to engage with senior ministers, officials and regulators in markets to drive forward policies to support the industry.

Continued to work closely with members on post-Brexit preparation and planning, including a focus on refreshing the architecture for regulating finance post-Brexit as a follow up to the December 2017 IRSG report 'The architecture for regulating finance after Brexit'.



Nikhil Nathi, London Stock Exchange CEO; Valdis Dombrovskis, European Commission Vice President for the Euro and Social Dialogue; Miles Celic TheCityUK CEO

8 IN 10
ADVISORY
COUNCIL
MEMBERS



SAY WE ARE MAKING A
USEFUL CONTRIBUTION
TO BREXIT-RELATED
DISCUSSIONS WITH
KEY STAKEHOLDERS

TheCityUK member survey 2019

“[TheCityUK] is moving the dialogue of government understanding on the impact of Brexit to financial services”

TheCityUK member

INTERNATIONAL PROGRAMME

“TheCityUK has been strong on engaging with the international market and facilitating high-level dialogue between overseas policymakers and practitioners.”

TheCityUK member

Ensured ongoing focus on the industry's long-term future competitiveness.

We continue to be the private-sector delivery partner for the Chancellor's FSTIB workstreams on China, the US, India and FinTech. We have also been engaging with HM Treasury to inform and help progress its Global Financial Partnerships initiative, including submitting a detailed response on critical areas for consideration in regard to the US, Japan, Singapore, Hong Kong and Switzerland, and organising a follow-up roundtable discussion with members to provide deeper insights for policy makers.

Facilitated significant platforms for senior stakeholders through our China Market Advisory Group (MAG),

including running a substantial programme to support the 2019 UK-China Economic and Financial Dialogue (EFD) in London. TheCityUK Chairman co-chaired a high-level Financial Services Business Summit and the China MAG Chairman closed the Summit. The Summit and related programme of five bilateral roundtables covered priority issues for the industry including Belt and Road infrastructure and PPP, savings and pensions, FinTech, operational resilience, and green finance. We also collaborated with the Department for International Trade (DIT) to create a bespoke UK-China adaptation of our International Key Facts report, which was distributed at the various events. Under the auspices of the China MAG we also organised a business roundtable for senior Asian Infrastructure Investment Bank officials at the European Bank for Reconstruction and Development in partnership with HM Treasury.

Deepened industry relations with other international markets. We have encouraged even greater focus on expanding existing services links and investment ties with Switzerland, appointing a new Chair for our Swiss MAG, continuing to strengthen our collaboration with economiesuisse, and engaging with senior stakeholders, including Switzerland's top financial services negotiator and her senior team, and the British Ambassador to Switzerland. The CEO and Managing Director, External Relations and Strategic Issues (ERSI) have spent time in the US and Mexico, meeting with leading stakeholders, policy makers, officials, members and ministers, to discuss bilateral trade and investment relations. TheCityUK also continues to play a key role in fostering greater regulatory cooperation between the UK and the US, co-chairing the UK-US FRPS Industry Coalition to drive the agenda of the formal government-to-government Financial Regulatory Working Group meetings. Further policy work has been undertaken within the framework of the India-UK Financial Partnership to develop three additional reports focused on FinTech, ease of doing business and a review of previous policy recommendations – these will be launched in the coming months. Major new workstreams have been undertaken on Japan.

85%
OF MEMBERS



**SAY WE HAVE A STRONG
RELATIONSHIP WITH
THEIR ORGANISATION**

TheCityUK member survey 2019

“One of their biggest achievements is their work in Eurasia, particularly around Astana and corporate governance and their Russian forums.”

TheCityUK member

Continued our focus on influencing and inputting into future UK trade and investment policy.

Our inputs have included a detailed report with DLA Piper which focuses on the questions and issues the industry will need to consider as the UK develops its own independent trade and investment policy; comprehensive industry responses to DIT consultations on the US, Australia, New Zealand and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership; and further work to ensure continuity of EU trade agreements and plans for new UK agreements with third countries. The Managing Director, ERSI, has been appointed as the Business Representative for Services on the government's Strategic Trade Advisory Group, whose primary role is to shape future UK trade and investment policy.

Increased advocacy of financial and professional services liberalisation world wide, where we have maintained close engagement with a range of international organisations, from the B20 and WTO to the Global Services Coalition, to provide expert input on key issues such as regulatory coherence and cross-border data flows. The Chairman of our Liberalisation of Trade in Services Committee has spoken on these key issues at international conferences, and our Chief Economist & Head of Research has given evidence to the House of Commons International Trade Committee on the economic dynamics of trade in services. We also participate in several fora which focus on related professional services such as the Professional Business Services Council, the Brexit Law Committee and the LawTech Delivery Panel.

Progressed work to support developing international financial centres (IFC) in Astana (AIFC), Istanbul (IIFC) and Moscow (MIFC). Our work in this area continues to be undertaken in cooperation with the British Embassies in Astana and Moscow and the British Consulate in Istanbul and funded through the government's Prosperity Fund. Corporate governance, Islamic finance and FinTech have been the areas of primary focus across all centres. Activities across all these IFCs continues to attract strong interest and engagement from members.

Continued work to secure the UK as the leading western centre for Islamic finance which has seen us engage in a variety of key sector events including organising a roundtable for a senior Malaysian delegation. The Islamic Finance Sector Advisory Group has been pressing the UK government to announce a second Sovereign Sukuk issuance in the UK and the Chancellor confirmed this would take place in his Mansion House speech earlier this year.



Miles Celic, TheCityUK CEO, speaking at the British-American Business Forum in New York

“Thank you for TheCityUK's hard work in coordinating the UK-China Financial Services Summit with HSBC and the China Construction Bank. It was an important addition to the programme surrounding the UK-China Economic and Financial Dialogue and showcases the best of UK-China cooperation in this area.”

The Rt Hon Philip Hammond MP, Chancellor of the Exchequer, July 2019

CORPORATE

“TheCityUK is seen as the premier body for the industry.”

TheCityUK member

Another strong set of results were generated from our annual survey of members, conducted independently by Kantar, with nine out of 10 members rating us favourably and 85% saying that we are effective. Overall satisfaction among Advisory Council (AC) members has significantly increased over the past year, with eight in 10 saying they satisfied with the overall benefit their organisation receives as member. Satisfaction has slightly fallen among non-AC members (down 6 percentage points on 2018) – this is an area for focus over the coming year. We continue to make good progress on our agenda to advocate the contribution and value of the industry across the regions and nations, with 75% of members agreeing we are effective in this aim, up 12 percentage points year on year. Although members say in the survey that our work on Brexit is among our greatest achievements over the past 10 years, the data shows a drop in perceptions of effectiveness on this compared to last year – although there is a clear narrative around the challenge in this regard for us when business generally hasn’t been heard in the debate.

Produced 19 publications across the year, focused on the issues most relevant to the future competitiveness of our industry. These have included Brexit and the future relationship with the EU and other global markets, future skills and talent needs, FinTech, legal services, Islamic finance, green finance, regulation and operational resilience. Report output also includes our regular updates on the strength, value and contribution of the industry to the UK and local economies.

Maintained strong media profile and presence in regional, national and international outlets. Across the year we have generated over 6,350 pieces of broadcast, print or online coverage, including in front page news stories in the likes of Financial Times, The Daily Telegraph, City A.M., The Scotsman, Yorkshire Post and Le Monde. Coverage has been largely dominated by Brexit. We remain recognised as an “influential” lobby group” by media. Our series of media dinners continues to attract senior journalists and practitioners, with guests across the year including Martin Wolf (FT, Chief Economics Commentator), Simon Jack (BBC, Business Editor), Evan Davis (leading BBC presenter), Ruth Sunderland (Business Editor, The Daily Mail) and Oliver Shah (Business Editor, The Sunday Times).

**9 IN 10
MEMBERS**



**WOULD RECOMMEND OUR
MATERIALS TO A PEER OR
COLLEAGUE**

TheCityUK member survey 2019



Miles Celic, TheCityUK CEO, discussing Brexit on BBC Breakfast

“They are as effective an organisation as there is.
I have a very high regard for them.”

TheCityUK member

Continued to extend our partnerships with organisations and initiatives that support our commitment to diversity and inclusion. We remain a signatory of HM Treasury’s Women in Finance Charter to which we pledged to maintain a 40:60 female:male ratio across our senior management team (inclusive of our Executive Team and Senior Management Group of 11). This year we have fallen just shy of our nominal target to a 36:64 female:male ratio, which, given the size of our management team, has been impacted by the change of just one member of the team. We have also become a Social Mobility Pledge accredited employer, have once again supported the Social Mobility Awards and National Numeracy Day and continue our charitable partnerships with The Brokerage and All Stars London. Earlier this year we launched a new series of diversity and inclusion roundtables and welcomed Rt Hon Justine Greening MP to the first event to discuss social mobility. This series will continue over the coming year.

Continued to embed our company values of ‘rigour’, ‘impact’, ‘agility’, ‘respect’ and ‘teamwork’ across the organisation and focused on ensuring we operate in a fair, transparent and consistent way. With regards to the latter, we commissioned independent consultants Croner to conduct a thorough benchmarking and analysis exercise on our jobs, title and salaries to ensure that we have a fair and consistent approach to job titles, pay, progression and reward and recognition across the organisation and are market competitive.

PARTNERSHIPS AND SUPPORTING ACTIVITIES



Women in Finance Charter



National Numeracy Day



The Brokerage



TheCityUK supports Pride



The Social Mobility Awards



The Social Mobility Pledge



All Stars London



Prime Minister Theresa May's speech at the 2018 Conservative Party Conference 1922 Committee reception, sponsored by TheCityUK and Heathrow



Miles Celic, TheCityUK CEO; Jonathan Reynolds MP, Shadow Economic Secretary; John McFarlane, TheCityUK Chairman at TheCityUK National Conference, November 2018



Gary Campkin, TheCityUK Managing Director, External Relations & Strategic Issues, speaking at the Global Services Summit in Washington, D.C.



John Glen MP, Economic Secretary to the Treasury, speaking at a business roundtable at AIB's annual meeting



James Palmer, Senior Partner, Herbert Smith Freehills; the Rt Hon David Gauke MP, Lord Chancellor and Secretary of State for Justice; and Gary Campkin, TheCityUK Managing Director, External Relations & Strategic Issues, at TheCityUK Legal Services report launch



Panel session at TheCityUK National Conference 2018



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



TheCityUK event with Nausicaa Delfas, Executive Director of International, FCA, at Bloomberg



UK-Japan business roundtable at the 2018 bilateral Financial Dialogue, with Sir David Wright, TheCityUK Japan MAG Chairman and senior officials from HMT and the Japanese Embassy



Gary Campkin, TheCityUK Managing Director, External Relations & Strategic Issues, speaking at the Moscow Exchange and OECD Corporate Governance Conference, in Moscow



Mark Tucker, TheCityUK Board Chairman, speaking at the UK-China Financial Dialogue Business roundtable



Anjalika Bardalai, TheCityUK Chief Economist & Head of Research giving evidence to the House of Lords EU Financial Affairs Sub Committee



John McFarlane, TheCityUK Board Chairman, and the Rt Hon James Brokenshire MP, Secretary of State for Housing, Communities and Local Government, at TheCityUK National Conference, November 2018



Lyndon Nelson, Deputy CEO of the PRA and Executive Director for Regulatory Operations & Supervisory Risk Specialists, at the 'Operational resilience in financial services' report launch



Miles Celic, TheCityUK CEO; Mark Tucker, TheCityUK Board Chairman; John Glen MP, Economic Secretary to the Treasury, at TheCityUK Annual Conference, June 2019



Miles Celic, TheCityUK CEO and Jennifer Reynolds, Toronto Financial Services Alliance CEO, renew their landmark MoU



Tom Tugendhat MP, Chair, Foreign Affairs Select Committee, at the Annual Conference, June 2019



Miles Celic, TheCityUK CEO; Daniela Stoffel, Swiss State Secretary for International Finance; and Joe Cassidy, Swiss MAG Chair



TheCityUK Annual Dinner, January 2019

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 2019			
Directors	Audit & Risk Committee	Finance & Resources Committee	Nominations & Governance Committee
Rajesh Agrawal			
Omar Ali			✓
Edward Braham			
Miles Celic	✓	✓	✓
Tracy Clarke	✓		
Galina Dimitrova			
Craig Donaldson	✓		
Huw Evans			
John Heaps	✓		
Mark Hoban			✓
Stephen Jones		✓	
Andrew Kail		✓	
Simon Lewis			
Rachel Lord			
Sean McGovern			
Catherine McGuinness			✓
Mark Tucker			✓
Jonathan Whitehouse			
Clare Woodman		✓	
Sir David Wootton		✓	

Matters reserved to the Board's attention

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

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

Committees

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

The Finance and Resources Committee's role is to review, and challenge where necessary, the annual operating budget and management accounts of the Company. 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.

The Audit and Risk Committee's primary responsibilities are 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. Additionally this committee reviews the key operational risks facing the Company and management plan to mitigate these risks.

The Nominations and Governance 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.

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 2019 and additional meetings were convened when required. The table below shows the attendance of Directors at regular Board meetings and at meetings of the committees during the year.

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

Board Meetings 1 April 2018 - 31 March 2019					
Directors	Date Appointed (A) or Resigned (R)	Regular Board Meetings	Audit & Risk Committee	Finance & Resources Committee	Nominations & Governance Committee
Meetings Held:		5	2	2	2
Rajesh Agrawal		4			
Omar Ali		4			1
Edward Braham	(A) 21 November 2018	2*			
Miles Celic		5	2	2	1
Tracy Clarke		2	2		
Nicholas Collier	(R) 12 September 2018	3*			
Galina Dimitrova		4			
Craig Donaldson		2	1		
Robert Elliott	(R) 12 September 2018	3*			1*
Huw Evans		4			
John Heaps		3	1		
Mark Hoban		4			1
Lindsay J'afari-Pak	(R) 12 September 2018	3*	1*		
Stephen Jones		5		2	
Andrew Kail	(A) 12 September 2018	3*			
Simon Lewis		5			
Rachel Lord	(A) 12 September 2018	1*			
John McFarlane	(R) 5 June 2019	5			2
Sean McGovern		2			
Catherine McGuinness		4			1
Clare Woodman		2		0	
Sir David Wootton		4		2	
* For part of the year under review only					

Board performance appraisal

With the full support of the Board, the Chairman leads an evaluation of the performance of the Board and its committees on a regular basis. The last review concluded that the Board and its committees are currently effective and each Director continues to demonstrate commitment to their role. A board effectiveness review is currently underway, conducted by Odgers Berndtson.

Re-election of Directors

New Directors are subject to election at the first Annual General Meeting of the Company following their appointment. In addition, 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

Rajesh Agrawal
Omar Ali
Edward Braham (appointed 21 November 2018)
Miles Celic
Tracy Clarke
Galina Dimitrova
Craig Donaldson
Huw Evans
John Heaps
Mark Hoban
Stephen Jones
Andrew Kail (appointed 12 September 2018)
Simon Lewis
Rachel Lord (appointed 12 September 2018)
Sean McGovern
Catherine McGuinness
Mark Tucker (appointed 1 June 2019)
Jonathan Whitehouse (appointed 1 June 2019)
Clare Woodman
Sir David Wootton

Company secretary

Marcus Scott

Registered number

07088009

Registered office

Salisbury House
Finsbury Circus
London EC2M 5QQ

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2019

The directors present their report and the financial statements for the year ended 31 March 2019.

Principal activity

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

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

Results and dividends

The profit for the year, after taxation, amounted to £47,010 (2018: £78,907).

No dividends were paid or proposed during the year (2018: £nil).

Retained earnings policy

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

Directors

The Directors who served during the year were:

Rajesh Agrawal
 Omar Ali
 Edward Braham (appointed 21 November 2018)
 Miles Celic
 Tracy Clarke
 Nicholas Collier (resigned 12 September 2018)
 Galina Dimitrova
 Craig Donaldson
 Robert Elliott (resigned 12 September 2018)
 Huw Evans
 John Heaps
 Mark Hoban
 Lindsay J'afari-Pak (resigned 12 September 2018)
 Stephen Jones
 Andrew Kail (appointed 12 September 2018)
 Simon Lewis
 Rachel Lord (appointed 12 September 2018)
 John McFarlane (resigned 5 June 2019)
 Sean McGovern
 Catherine McGuinness
 Clare Woodman
 Sir David Wootton

Disclosure of information to auditors

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are 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 auditors are aware of that information.

Auditors

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

Small companies note

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

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

A handwritten signature in black ink, appearing to read 'Miles Celic', with a long horizontal flourish extending to the right.

Miles Celic

Director

Signed on 11 July 2019

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2019

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;
- 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 2019

	Note	2019 £	2018 £
Turnover	2	6,153,563	6,292,389
Cost of sales		(1,136,255)	(1,513,305)
Gross profit		5,017,308	4,779,084
Administrative expenses		(5,001,765)	(4,711,709)
Operating profit	6	15,543	67,375
Interest receivable and similar income		31,467	11,532
Profit before tax		47,010	78,907
Tax on profit	8	-	-
Profit for the financial year		47,010	78,907

There was no other comprehensive income for the year (2018:£nil).

The notes on pages 32 to 41 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019

		2019 £	2018 £
Fixed assets	Note		
Tangible assets	9	56,908	136,140
Investments	10	220	220
		57,128	136,360
Current assets			
Debtors: amounts falling due within one year	11	936,872	716,965
Current asset investments	12	921,354	-
Cash at bank and in hand		2,036,733	3,085,013
		3,894,959	3,801,978
Creditors: amounts falling due within one year	13	(2,201,921)	(2,247,182)
Net current assets		1,693,038	1,554,796
Total assets less current liabilities		1,750,166	1,691,156
Provisions for liabilities			
Provisions	15	(63,000)	(51,000)
Net assets		1,687,166	1,640,156
Capital and reserves			
Retained earnings	16	1,687,166	1,640,156
		1,687,166	1,640,156

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

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



Miles Celic
Director

Signed on 11 July 2019

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

	Retained earnings £	Total equity £
At 1 April 2017	1,561,249	1,561,249
Comprehensive income for the year		
Profit for the year	78,907	78,907
Total comprehensive income for the year	78,907	78,907
At 1 April 2018	1,640,156	1,640,156
Comprehensive income for the year		
Profit for the year	47,010	47,010
Total comprehensive income for the year	47,010	47,010
At 31 March 2019	1,687,166	1,687,166

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2019

	2019 £	2018 £
Cash flows from operating activities		
Profit for the financial year	47,010	78,907
Adjustments for:		
Depreciation of tangible assets	95,109	89,831
Interest received	(8,732)	(11,532)
(Increase)/decrease in debtors	(219,907)	76,748
(Decrease)/increase in creditors	(45,261)	29,318
Increase in provisions	12,000	27,000
Net fair value gains on current asset investments	(22,735)	-
Net cash (used in)/generated from operating activities	(142,516)	290,272
Cash flows from investing activities		
Purchase of tangible fixed assets	(15,877)	(77,315)
Purchase of current asset investments	(898,619)	-
Interest received	8,732	11,532
Net cash from/(used in) investing activities	(905,764)	(65,783)
Net (decrease)/increase in cash and cash equivalents	(1,048,280)	224,489
Cash and cash equivalents at beginning of year	3,085,013	2,860,524
Cash and cash equivalents at the end of year	2,036,733	3,085,013
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	2,036,733	3,085,013
	2,036,733	3,085,013

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. General information

TheCityUK is a company limited by guarantee incorporated in England and Wales with a registered number 07088009. The address of the registered office can be found on the Company information page.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The following principal accounting policies have been applied:

2.2 Going concern

The Directors have made an assessment in preparing these financial statements as to whether the Company is a going concern and have concluded that there are no material uncertainties that may cast doubt on the Company's ability to continue as a going concern.

2.3 Revenue

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

Subscriptions

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

Grant income

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

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

Other income

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

All income relates to the United Kingdom.

2. Accounting policies (continued)

2.4 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.

2.5 Publications

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

2.6 Operating leases

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 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.

2.8 Taxation

Tax is recognised in the Statement of Comprehensive Income.

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

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.

2. Accounting policies (continued)

2.9 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

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

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

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

2.10 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

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

2.11 Financial instruments

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

Investments in un-listed shares are classified as basic financial instruments. They are initially measured at transaction price less impairment.

Investments in investment funds are measured at fair value with gains and losses on remeasurement recognised in 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.

2. Accounting policies (continued)

2.11 Financial instruments (continued)

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.

2.12 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.

2.13 Provisions for liabilities

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

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

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

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

Judgements in applying accounting policies

Current asset investments

Current asset investments are measured at fair value using publicly available valuations of the fund investments provided by the custodian. As at 31 March 2019, investments were valued at £921,354 (2018: £nil), of which £22,735 was recognised as gains during the year (2018: £nil).

Management do not consider there to be any other significant judgements in applying accounting policies which require disclosure.

Key sources of estimation uncertainty:

Trade debtor recoverability

The trade debtors balances of £443,808 (2018: £325,824) recorded in the Statement of Financial Position comprise a relatively small number of large balances. A full line by line review of trade debtors is carried out by the 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 £63,000 (2018: £51,000) is based upon the best estimate of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. However, there remains a risk that the provision does not match the level of cost ultimately required.

4. 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.

5. Grant income

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

6. Operating profit

The operating profit is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets	95,109	89,831
Other operating lease rentals	224,878	168,139
Pension cost	187,696	178,792

7. Employees

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

	2019 No.	2018 No.
Average number of employees	44	42

The average number of directors who served in the year was 19 (2018: 19), one of which received remuneration during the year (2018: 1).

8. Taxation

	2019 £	2018 £
Total current tax	-	-
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% (2018:19%).		

9. Tangible fixed assets

	Long-term leasehold property £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation				
At 1 April 2018	258,575	98,632	182,008	539,215
Additions	-	3,051	12,826	15,877
At 31 March 2019	258,575	101,683	194,834	555,092
Depreciation				
At 1 April 2018	201,877	87,121	114,077	403,075
Charge for the year	51,715	7,339	36,055	95,109
At 31 March 2019	253,592	94,460	150,132	498,184
Net book value				
At 31 March 2019	4,983	7,223	44,702	56,908
At 31 March 2018	56,698	11,511	67,931	136,140

10. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 April 2018	220
At 31 March 2019	220

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Principal activity	Class of shares	Holding
TCUK Trading Limited	Inactive	Ordinary share capital	100%

The registered office of TCUK Trading Limited is Salisbury House, Finsbury Circus, London, EC2M 5QQ.

The aggregate of the share capital and reserves as at 31 March 2019 and the profit or loss for the year ended on that date for the subsidiary undertaking were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
TCUK Trading Limited	(804)	(95)

11. Debtors

	2019 £	2018 £
Trade debtors	443,808	325,824
Amounts owed by group undertakings	728	578
Other debtors	147,659	120,674
Prepayments	344,677	269,889
	936,872	716,965

12. Current asset investments

	2019 £	2018 £
Current asset investments	921,354	-
	921,354	-

Current asset investments consist of investments made in a diversified portfolio which includes bond, equity, commodity and real estate investment funds. The historical cost of investments made is £898,619 (2018: £nil). Fair value gains for the year are £22,735 (2018: £nil) and are recognised in the Statement of Comprehensive Income as part of Interest receivable and similar income.

13. Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	272,008	420,357
Other taxation and social security	36,600	20,042
Deferred income	1,394,999	1,340,955
Accruals	498,314	465,828
	2,201,921	2,247,182

14. Financial instruments

	2019 £	2018 £
Financial assets		
Financial assets measured at amortised cost	2,621,229	3,532,089
Financial assets measured at fair value	921,354	-
	3,542,583	3,532,089
Financial liabilities		
Financial liabilities measured at amortised cost	762,623	886,185

Financial assets measured at amortised cost comprise trade and other debtors, amounts owed by group undertaking and cash and cash equivalents.

Financial assets measured at fair value comprise current asset investments.

Other financial liabilities measured at amortised cost comprise trade creditors and accruals.

15. Provisions

	Dilapidation provisions £
At 1 April 2018	51,000
Charged to Statement of Comprehensive Income	12,000
At 31 March 2019	63,000

Dilapidations provision

The dilapidation provision is recognised to accrue the cost of returning the office premises to its original state at the end of the lease. As noted within note 17 the break clause included in the lease agreement has been exercised and the operating lease is due to expire on 5 January 2020

16. Reserves

Retained earnings

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

17. Commitments under operating leases

At 31 March 2019 the Company had future minimum lease payments under non cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	349,088	190,977
Later than 1 year and not later than 5 years	17,838	19,442
Later than 5 years	4,680	-
	371,606	210,419

On 12 March 2018 the Company serviced notice on the landlord to exercise their break clause within the operating lease. Following negotiations this lease was extended to 5 January 2020. At the reporting date the Company is currently in negotiations to agree a new lease at a new property and there is no financial obligation in relation to the new lease at the reporting date.

18. Related party transactions

The Company received funding of £400,000 (2018: £400,000) from the City of London Corporation for services provided in accordance with the Service Level Agreement dated July 2016. At the year end, an amount of £nil (2018: £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 (2018: £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 (2018: £nil) was outstanding.

During the year the Company was invoiced £70,490 (2018: £68,894) by the City of London Corporation for rent and rates. At the year end, an amount of £127,477 (2018: £125,881) was outstanding and is included within creditors.

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 £1,072,592 (2018: £1,087,591).

19. Controlling party

There is no ultimate controlling party.

20. Auditor information

The auditor's report on the financial statements prepared for the members was unqualified and there were no matters to which the auditor drew attention by way of emphasis.

The auditor's report was signed by Giles Murphy of Nexia Smith & Williamson as senior statutory auditor.

TheCityUK

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www.thecityuk.com

MEMBERSHIP

To find out more about TheCityUK and the benefits of membership visit

www.thecityuk.com or email us at membership@thecityuk.com

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