



## Finance Committee – Late Supplementary Pack

**Date:** TUESDAY, 13 OCTOBER 2020  
**Time:** 1.45 pm  
**Venue:** VIRTUAL MEETING - [HTTPS://YOUTU.BE/MRI2DBBCIGE](https://youtu.be/MRI2DBBCIGE)

6. **REPORT OF THE WORK OF THE SUB-COMMITTEES**  
Report of the Town Clerk

**For Information**  
(Pages 229 - 232)

9. **Q2 BUDGET MONITORING**  
Report of the Chamberlain

**For Information**  
(Pages 233 - 252)

11. **CITY RE LIMITED - PERFORMANCE MONITORING – APPENDIX**  
Report of the Chamberlain  
to be read in conjunction with the main Report in the main agenda pack

**For Information**  
(Pages 253 - 272)

20. **REPORT OF THE WORK OF THE SUB-COMMITTEES - NON-PUBLIC ISSUES**  
Report of the Town Clerk

**For Information**  
(Pages 273 - 274)

23. **STAGES 1 (STRATEGY) & 2 (CONTRACT AWARD) COMBINED REPORT FOR PROVISION OF ELECTRICITY AND GAS SUPPLIES**  
Report of the Chamberlain

**For Decision**  
(Pages 275 - 284)

**Items received too late for circulation in conjunction with the main Agenda.**

**John Barradell**  
**Town Clerk and Chief Executive**

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<b>Committee:</b> Finance Committee	<b>Date:</b> 13 October 2020
<b>Subject:</b> Public Report of the work of the Sub-Committees	<b>Public</b>
<b>Report of:</b> Town Clerk	<b>For Information</b>
<b>Report author:</b> John Cater, Town Clerk's Department	

## Summary

On 19 July 2016, the Finance Committee agreed that, in addition to draft minutes of Sub-Committee meetings, short reports be provided to advise the Committee of the main issues considered by the Sub-Committees at recent meetings. This report sets out some of the main public issues considered by the following Sub Committees since 21 July 2020:

### **Corporate Asset-Sub Committee – 15<sup>th</sup> September 2020**

#### **REVIEW OF THE CYCLICAL WORKS PROGRAMME (CWP)**

The Sub-committee considered a report of the City Surveyor setting out proposals to enhance the Cyclical Works Programme.

The Chairman welcomed the report and the refreshing approach it presented in maintaining the City Corporation's operational property estate. The proposed approach offered a much more focussed way of looking at operational assets, with new software coming in for asset management giving a much greater focus and allowing spend to be more effective and in accordance with corporate strategies e.g. Climate Action, which it was hoped would be agreed at Court of Common Council next month.

A Member acknowledged the proposed direction of travel sounded sensible but suggested more detail would be needed to move forward. The Chairman responded confirming bids under this process would come through in one year's time. There was a need to agree the direction of travel at this point, with this approach offering far more target areas for servicing compared to previous methodology.

Resolved, that the Sub-committee: -

- Approve the new approach set out within the report at paragraphs 5 to 15 in preparation for the bid processes for 2022/23.
- Approve the changes to the project scoring criteria set out in Appendix 1.
- Approve the bid of £3.6m for the CWP programme for 2021/22 as set out in Appendix 2.
- Note that a further report will follow in September 2021 which will set out the precise financial implications for CWP Bids for 2022/23.

### **Digital Services Sub-Committee – 11<sup>th</sup> September 2020**

#### **IT APPLICATION ROADMAP UPDATE**

The Sub-Committee received a report of the Chamberlain on the IT Application Roadmap. The Sub-Committee was informed that the current Housing Management System is provided by Orchard, but at present there is a current in-flight project to

transition to Civica's CX. The original proposal to go live was October 2020, but due to COVID -19 this has now been moved to February 2021. The Chair asked to be kept up-to-date on progress. The Deputy Director of IT (Delivery) agreed to provide future updates outside of the meeting.

### **Efficiency and Performance Sub-Committee – 16<sup>th</sup> September 2020**

#### **GUILDHALL COMPLEX – ROAD MAP FOR RETURN TO THE OFFICE**

Before the meeting, it was envisaged that the focus would be on the medium – long term planning for a return to the Guildhall complex, and the lessons during this period that could be built upon and ultimately add value in terms of efficiencies and performance. After the City Surveyor's opening remarks, the discussion quickly turned to the state of the current short-term arrangements, with Members particularly concerned about the pace of getting officers (and Members) back into Guildhall in greater numbers.

Whilst recognising that the greater risk for officers and Members came more from utilising public transport to get to and from the City, Members were concerned that we were in danger of "gold plating" arrangements once people were in Guildhall; a balance had to be struck between ensuring that we were "covid secure" whilst allowing for the Guildhall to become, once again, an effective workplace for the highest possible number of users.

The questioning was robust and reflective of how the discussion went at RASC and Court earlier in September. More positively, Members are pleased that officers are examining the lessons of the past six months and the likely longer term impact for smart working, building utilisation and workplace culture; they expressed their keenness to hear more in due course.

### **Finance Grants Oversight and Performance Sub Committee – 22<sup>nd</sup> September 2020**

The Sub-Committee met for the first time since January 2020, as the June 2020 meeting had been cancelled due to COVID-19.

The Sub-Committee received a report regarding the Central Grants Programme (CGP) and Central Grants Update (CGU). The report provided an overview of CGU work since the Sub-Committee's last meeting in January 2020, noting that COVID-19 restrictions came into effect at the beginning of the new financial year and therefore had an impact on the work of the programme. The Sub-Committee agreed the wording of the CGP Annual Report for onward submission to Committees. The Head of CGU also provided a presentation regarding Monitoring and Evaluation for the 2019-20 CGU Annual Report. A total of 50 grants were awarded across the programmes.

The Chief Grants Officer & Director of CBT provided Members with an update on the Community Infrastructure Levy Neighbourhood Fund, which recently launched on 1 September after a 6-month delay due to COVID-19. This time had been used to expand awareness of the programme. The Neighbourhood Fund currently has a value of £5.6M.

The Sub-Committee also received an update on Benefits-In-Kind, noting that there were limitations on BIK which could be offered due to building closures during the COVID-19

lockdown period. Members requested that further information be provided at a future meeting regarding BIK for Mansion House and the Central Criminal Court.

**Procurement Sub-Committee – 7<sup>th</sup> October 2020**

N/A

**Recommendations**

The Committee is asked to note the report.

**John Cater**

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<b>Committee:</b>	<b>Dated</b>
Finance Committee	13 October 2020
<b>Subject:</b> Revenue Budget Monitoring to September 2020 (Quarter 2)	<b>Public</b>
<b>Report of:</b> Chamberlain	<b>For Information</b>
<b>Report author:</b> Laura Yeo, Senior Accountant, Financial Services Division	

## Summary

This report provides an update on the financial position and the impacts of COVID-19 on budgets up to the end of September.

The estimated overall forecast year-end overspend across all funds is an overspend position of £36.1m at the end of September (Quarter 2). This represents a worsening position of £7.7m when compared to £28.4m at the end of July (Period 4), primarily driven by adjustments to the Property Investment Income forecast (£5.9m) and target operating model savings yet to be achieved (£4.5m).

The impact of Covid-19 stands at around £16.8m (7%) on Chief Officer Cash Limited Budgets, mainly on City Fund, and £19.4m (32%) on Central Risk Budgets excluding The City Bridge Trust (CBT) grant giving and London Community Response Fund (LCRF) advance commitments, which is operates on a multi-year budget envelope.

To assist in mitigating the damage caused to the City's budgets by the pandemic, an in-year re-budgeting exercise been undertaken to set realistic but tightened budgets. For local risk, the approach has been to reduce spend as much as possible, informed by bilateral meetings between the Chamberlain and Chief Officers. At Quarter 2 local risk expenditure savings of £22.6m have been identified which partially offset predicted income losses of £39.4m.

On Central Risk, losses are currently being driven by property and investment income shortfalls which may prove difficult to mitigate and are likely to require a draw on reserve to make up the shortfall.

Reflecting on this position, the re-budgeting exercise has proposed a net £15.2m increase in budgets to provide a realistic baseline budget on which to monitor financial performance moving forward. Subject to approval at the December Court of Common Council meeting, the impact of these proposals is shown below.

<b>Impact of re-budgeting exercise</b>	<b>CF</b>	<b>CC</b>	<b>BHE</b>	<b>Total</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Month 6 Forecast (Local and Central Risk)	(19.0)	(12.4)	(4.7)	<b>(36.1)</b>
Budget increases proposed by re-budgeting exercise	14.0	1.2	0.0	<b>15.2</b>
<b>Adjusted Month 6 Forecast</b>	<b>(5.0)</b>	<b>(11.2)</b>	<b>(4.7)</b>	<b>(20.9)</b>

These additional budgets must however be funded. For City Fund, this will impact on the projected surplus for the year, which is earmarked as a contribution to the major projects reserve. For City's Cash this will impact the level of drawdown from the balance sheet. Whilst no budget changes have been put forward for Bridge House Estates, it is proposed that the deficit in Tower Bridge income (£3.1m) be offset with a reduction in transfer to the BHE reserves at year end.

The Government's income compensation scheme for Local Authorities is now open and a claim for income losses covering April to July has been submitted with a value of £1.5m. At the time of writing this claim was still subject to approval by Ministry of Housing, Communities and Local Government (MHCLG). The estimated full year value of the claim is £12.6m and has been incorporated into the below impact assessment.

<b>Financial Impact per Fund</b>	<b>CF</b>	<b>CC</b>	<b>BHE</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Original surplus/(deficit) for the year	27.3	(38.1)	(18.1)
Budget increases proposed by re-budgeting exercise	(14.0)	(1.2)	(0.0)
Adjusted Month 6 forecast deficit	(5.0)	(11.2)	(4.7)
Potential additional funding from Govt income compensation scheme	12.6	0.0	0.0
<b>Overall Impact per Fund</b>	<b>20.9</b>	<b>(50.5)</b>	<b>(22.8)</b>

Additional actions are likely to be required to mitigate the impacts of COVID-19 further as well as realigning future spending plans to reflect on the current circumstances.

### **Recommendation**

Members are asked:

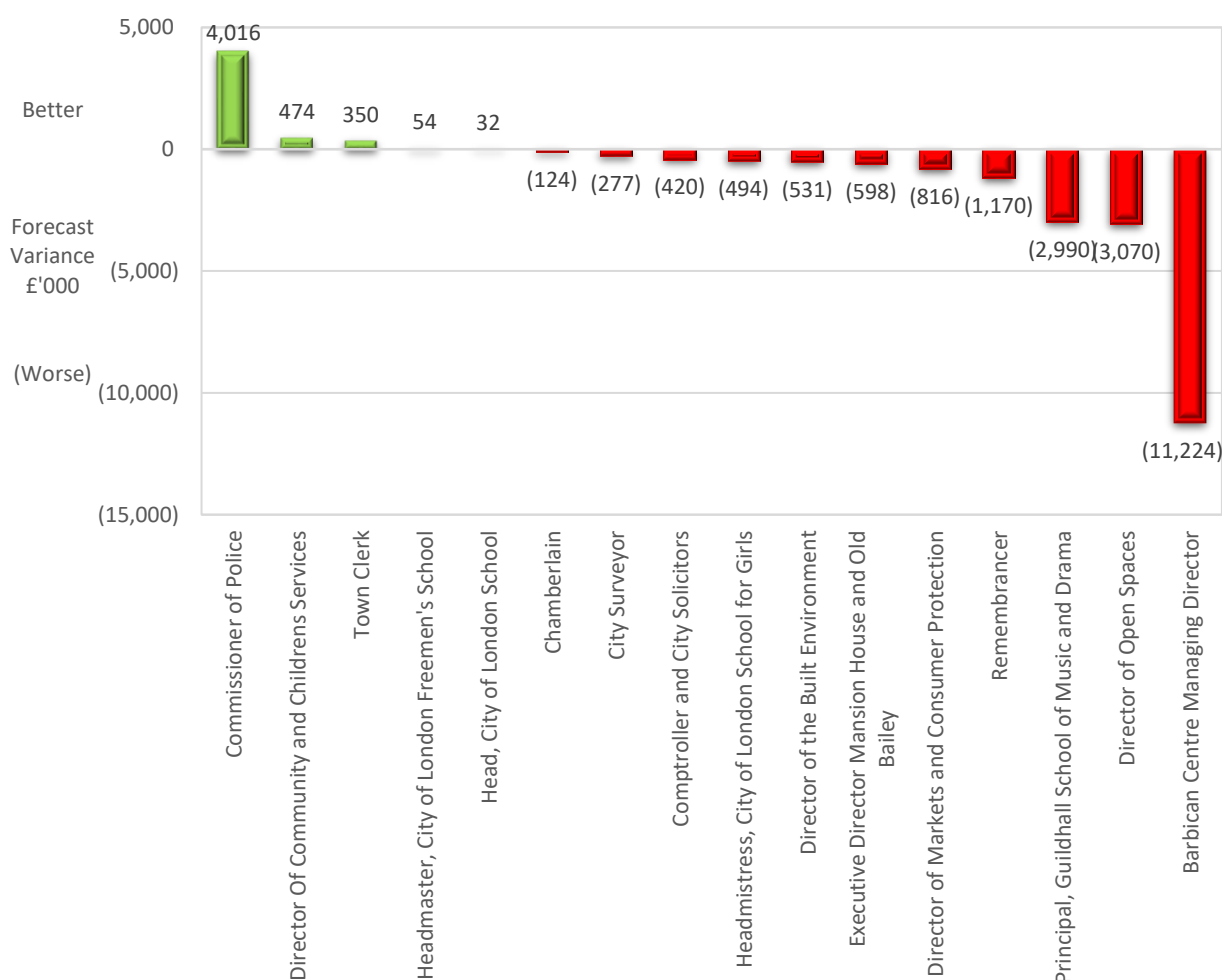
- i. to note the report, in particular the significant improvement in the forecast Barbican position which Members may wish to take in account when considering the budget 2020/21 reset paper, also on this Committee agenda.

## Main Report

### Chief Officer Cash Limited Budgets

- The current position for Chief Officer Cash Limited Budgets is a forecast overspend of £16.8m against the latest approved budget of £247.9m. This is an improved position of £1.1m compared to £17.9m reported at the end of July (Period 4).

Chief Officer variances against net local risk budgets are shown in the below chart and in Appendix 1 by Fund.



- Currently, the year-end forecast position comprises of an adverse variance of £39.4m against budgeted income of £294.7m, partially offset by a favourable variance of £22.6m on budgeted expenditure of £542.6m. Appendix 2 provides income and expenditure budget variances by Chief Officer. The impacts of Covid-19 on the most heavily affected Chief Officers Cash Limited Budgets have been detailed in the paragraphs below.

3. The Barbican Centre have been impacted heavily; forecasting an adverse variance of £11.2m at year end. This comprises a shortfall of £20.8m on income due to the centre being closed following Government guidelines, in addition to limited activity being forecast for the remainder of the financial year due to social distancing measures. This is partially offset by expenditure savings of £9.6m due to activity reductions as well as a hold on all non-essential expenditure. The forecast position has improved by £1.3m from period 4 due the receipts for the furlough scheme for both salaries and casual staff.
4. The resetting of departmental budgets paper (also on this agenda) is proposing to increase the Barbican Centre budget by £12.5m, reflecting the anticipated shortfall as at month 4. With the improved forecast position, Members may wish to re-assess the level of budget adjustment proposed.
5. Open Spaces has also been heavily effected and are forecast to be overspent by £3.1m by year-end. The overspend is due to income shortfalls from closed attractions and facilities as a result of the ongoing pandemic, mainly in relation to Tower Bridge where a forecast net loss of £3.1m is anticipated for the year. The re-budgeting exercise has proposed that an adjustment is made to the year end transfer to BHE reserves to offset this deficit.
6. Guildhall School of Music and Drama (GSMD) is forecast to be £3.0m worse than budget, reflecting lost income due to Covid-19. Income generating activities such as short courses, letting student accommodation during summer term, letting out space during summer to external providers, removing bar and catering income, and reduced fees from under-18 provision have all ceased. Further losses may arise depending on the number of students returning for the new academic year. In addition, GSMD will incur additional costs for space, equipment and staffing to support socially distanced onsite as well as online teaching as a result of Covid-19. GSMD, as with the independent schools, maintains a reserve which can be used to offset these losses. Should the reserve and further cost reduction prove insufficient, additional financial support may need to be considered later in the year.
7. Remembrancer is overspent by £1.2m due to no private event hire taking place at Guildhall since the start of the financial year, until assuming late Autumn. As a result, three of the four most lucrative months in the year - May, June, September and November - will achieve nil or very nearly nil income. This is partially offset by cost savings associated with not hosting these events including staff time, equipment hire, printing and advertising.
8. The Commissioner of Police projected outturn is a significant underspend for the full year of £4.0m. The position will be monitored closely and a plan has been agreed to utilise the forecast underspend. The position is based on an escalated recruitment process and a number of new appointments. The projected attrition levels have been revised due to Covid-19, assuming there will be no leavers during the financial year. Police services have remained as business as usual during Covid-19 and a challenging savings target of £5.7m is expected to be achieved in this financial year. Covid-19 pressures do exist

for CoLP, however, losses can be claimed from the Home Office as part of the 'ring-fenced £1.2m uplift grant.' Wood street and New Street costs for 20/21 will also have to be managed and accommodated within existing budgets, including the significant delay in closure of Wood Street.

## **Central Risk Budgets**

9. At the end of Quarter 2 the forecast position for Central Risk Budgets is an adverse variance of £19.4m against the latest approved budget of £60.3m, this is a worsening position of £8.9m compared to £10.5m at the end of July (period 4) and is primarily due to adjustments to the Property Investment Income forecast (£5.9m) and target operating model savings yet to be achieved (£4.5m).
10. The forecast position excludes CBT grant giving advance commitments (£48.6m) and London Community Response Fund commitments (£12.8m). These variances have been excluded as they are operating within the multi-year funding agreement. So, whilst they are generating in year variances, these are differences in the profile of grant giving spend, which are within the overall financial envelope agreed by Court, inclusion of which would distort in year performance. Further detail on CBT grant giving is given in paragraphs 16-19.
11. Covid-19 has had a severe impact on the Corporate Income Budgets leading to an adverse variance of £23.0m against budgeted income of £253.8m partially offset by a favourable variance of £7.0m on budgeted expenditure of £193.5m. The key budget areas are addressed in the following paragraphs.

## **Corporate Income Budgets**

12. Property Investment income at the end of Quarter 2 is £14.2m worse than budget of £136.1m. This represents an adverse movement of £5.9m compared to the position at period 4. The worsening position is due to further adjustments for proposed September rent fees and rent smoothing (£2.5m) and the inclusion of the estimated increase in bad debt provision required for 2020/21 (£3.4m).

The latest forecast comprises:

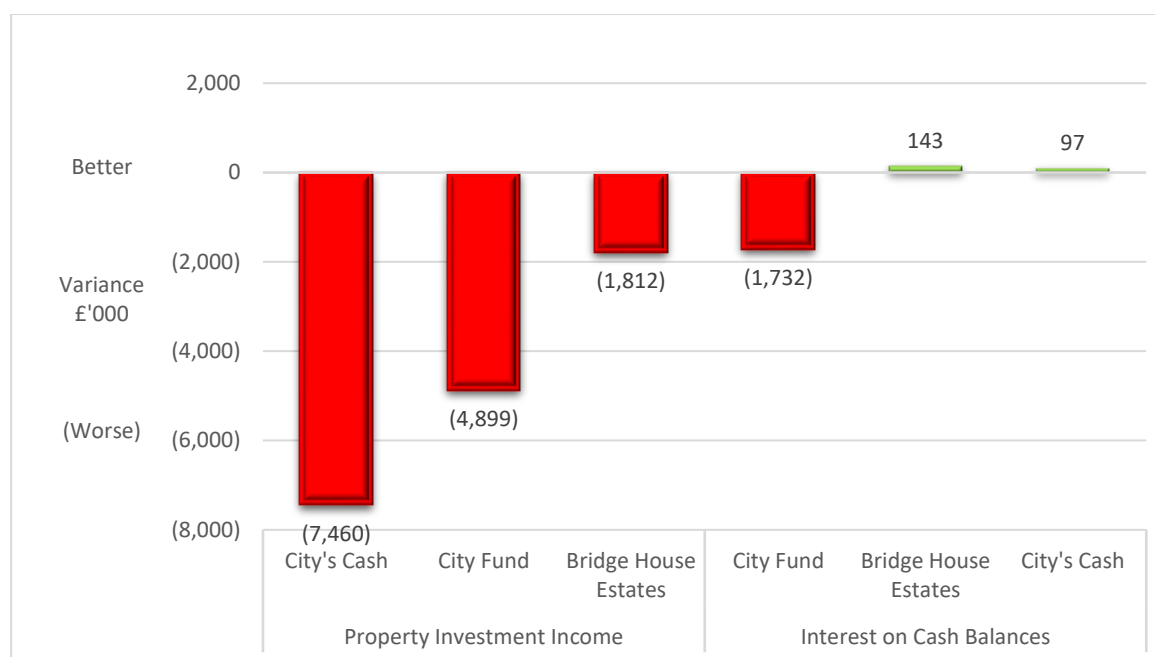
- City Fund £4.9m adverse variance
- City's Cash £7.5m adverse variance
- Bridge House Estates £1.8m adverse variance

These figures come with a big health warning and forecasts will be closely monitored and revised at each quarter.

13. Interest on cash balances in money market funds are anticipated to be £1.5m below budget of £8.9m at year-end. Elements of the forecast are subject to a lot of uncertainty, principally key assumptions around the likely direction of interest rates but also over cash balances. At the moment, it is assumed, in line

with our treasury advisors, that Bank of England's base rate will stay at 0.10% for the remainder of the year and that our returns will gradually gravitate towards that level over the course of 20/21. It is at least possible that rates could be reduced to zero or go negative in the coming months as the economic damage of Covid-19 is revealed or in the event of a second wave and a fresh attempt at monetary support is required. Naturally, this would reduce interest income even further.

14. Property Investment Income and Interest on Cash Balances variances against net local risk budgets are shown in the below chart.



### The City Bridge Trust Grants Budget

15. Members are asked to note that 2020/21 is an exceptional year for the activities of City Bridge Trust (CBT) within BHE. This includes the impact of the pandemic and the consequential establishment of the new BHE collaborative fund – the London Community Response Fund (LCRF) and the decision of the March 2020 Court of Common Council to agree an additional allocation of £200m to support delivery of the charity's ancillary objects. As a result, the reforecast for 2020/21 includes both the new LCRF's activity and an initial forecast commitment of £45m of the £200m allocation. Central risk activities for CBT have therefore increased from the original budget of £27.1m to £88.1m (net of grant income of £13.1m). This increase is fully funded from the unrestricted income reserve held by BHE.
16. CBT September 2020 Committee approved a £15m allocation from the agreed 5-year (2018- 2023) budget for expenditure in this financial year to support existing Bridging Divides grants portfolio and application pipeline.

17. As at the end of September 2020, £15.2m has been awarded in grants under the Bridging Divides programme, £23.9m for the LCRF and £0.1m for the Anniversary Programme Bridge to Work.
18. Since its inception, LCRF has received donations from third parties of £14.859m and a transfer of £11m from BHE, making total funds available to the programme of £25.859m. Administrative costs of £734k are forecast to be incurred in running the LCRF with £25.125m to be committed as grants by the end of the 2020/21 financial year.
19. At present the regular funding programmes operated by CBT have been 'paused' to enable staff to focus on the LCRF, provide support to the existing portfolio of 600+ grantees and work through the considerable number of applications that were already in the pipeline.



## **COVID-19 Mitigation, contingency and spend**

20. On 23 July, Members of RASC instructed officers to conduct an in-year re-budgeting exercise to assist in repairing the damage to the City's budgets arising from the COVID-19 pandemic. This was seen as a vital step in ensuring that we put our finances on a sustainable footing for the Medium Term.
21. The 18 September Resource Allocation Sub Committee noted the steps already taken by officers to reduce the impact of COVID-19 and generate savings including recruitment controls, review of contracts and the review of the Cyclical Works Programme (CWP); and proposed the following:
  - (i) Adjust departmental budget totalling £15.2m to reflect to impact of COVID-19.
  - (ii) Continue work with departments to identify further savings where possible.
  - (iii) Approve continuation of recruitment controls aligned to the Target Operating Model (TOM) which may give further savings in the year.

22. The proposed budget adjustment is still subject to Court of Common Council approval, so will be formally incorporated into the budget once agreement has been received, but the indicative impact of this change is shown below.
23. The £15.2m net budget increase is split between City Fund (£14.0m), City's Cash (£1.2m). The City Fund element will be funded from reducing the £27.3m budgeted transfer to reserves, which had been earmarked for the major projects reserve, whilst the City's Cash increase will reduce its net asset position. The impact on the forecast is shown below.

<b>Impact of re-budgeting exercise</b>	<b>CF</b>	<b>CC</b>	<b>BHE</b>	<b>Total</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Month 6 Forecast (Local and Central Risk)	(19.0)	(12.4)	(4.7)	<b>(36.1)</b>
Budget increases proposed by re-budgeting exercise	14.0	1.2	0.0	<b>15.2</b>
<b>Adjusted Month 6 Forecast</b>	<b>(5.0)</b>	<b>(11.2)</b>	<b>(4.7)</b>	<b>(20.9)</b>

24. The Covid-19 contingency fund of £1.5m has at the time of writing this report has total commitments of £1,080,000 leaving a balance of £420,000. Details of the allocations is provided at Appendix 3.
25. Chief Officers are asked to contain COVID expenditure within existing local risk budgets where possible. The expenditure is separately coded to keep a total of all COVID spend not covered by the COVID Contingency. The total spends across all departments included within their local risk projections in 2020/21 is shown in the table below. This is net of furlough support.

City Fund Main Account	£952,042
City's Cash	£1,617,829
HRA	£359,791
Bridge House Estates	£496,762
<b>Total</b>	<b>£3,426,424</b>

## **Government Support Measures**

26. For Local Authorities, the Government has announced financial support for lost income, for which final guidance has been received and a claim for losses incurred between April – July has been submitted to the value of £1.5m. The full year estimate for this claim is £12.6m.

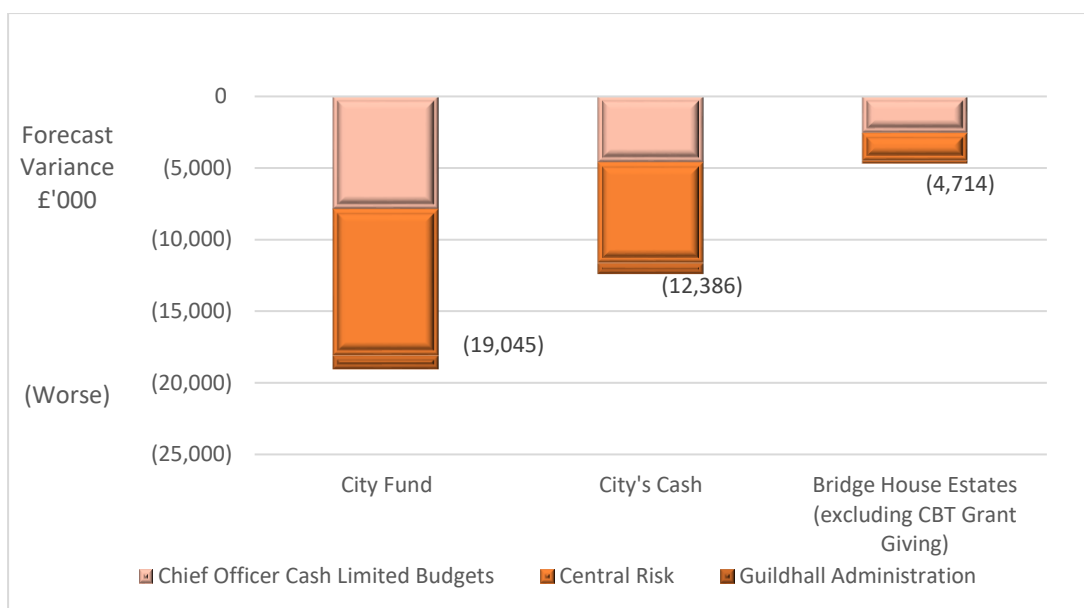
27. The scheme covers net income losses for income generating areas linked to service delivery. This will therefore not provide compensation for commercial income streams such as investment property income. Compensation will also not be provided where local decisions contradict Government guidance e.g. continuing to keep services closed where Government guidance allows them to be open.
28. All claims are subject to approval by MHCLG, so we are awaiting confirmation that our April-July claim has been accepted. In order to provide a comprehensive view of the financial position, these estimates have been incorporated into the fund summary
29. The Government has also announced financial support for cultural, arts and heritage institutions via grants and loan facilities. Full details of how the scheme will operate have yet to be released but this scheme may be applicable to services such as Monument. Any such support will be factored into the forecast once agreed.

### **Business Rates**

30. For Business Rates, the collection rate has fallen 6.8% below last year's rate at this time. We are continuing to monitor business rate collection closely, with informal recovery activity starting to take place and formal recovery due to start in January. It should be noted that in year losses in business rates will impact future year budgets as the statutory framework lags these impacts. The Government has also indicated that Local Authorities will be allowed to spread the impact of business rate losses across a 3-year period. We are awaiting full details of this flexibility.

### **Fund Position**

31. Despite the mitigating actions being taken, as a result of COVID-19, the overall (Local and Central Risk) forecast year-end position reported at Quarter 2 is £36.1m worse than budget. With Guildhall Administration apportioned across the three funds gives adverse positions of £19.0m on City Fund, £12.4m on City's Cash and £4.7m on Bridge House Estates.



32. Reflecting on this position, the re-budgeting exercise has proposed a net £15.2m increase in budgets to provide a realistic baseline budget on which to monitor financial performance moving forward, subject to Court of Common Council approval. Government support for income losses incurred by City Fund services is estimated to contribute £12.6m to offset income losses.
33. Taking these changes into account, the overall position, by fund, is shown below.

Financial Impact per Fund	CF	CC	BHE
	£m	£m	£m
Original surplus/(deficit) for the year	27.3	(38.1)	(18.1)
Budget increases proposed by re-budgeting exercise	(14.0)	(1.2)	(0.0)
Adjusted Month 6 forecast deficit	(5.0)	(11.2)	(4.7)
Potential additional funding from Govt income compensation scheme	12.6	0.0	0.0
<b>Overall Impact per Fund</b>	<b>20.9</b>	<b>(50.5)</b>	<b>(22.8)</b>

## Conclusion

34. Members are asked to note the forecast year-end position at the end of September (Quarter 2) is £36.1m worse than budget. The impact of Covid-19 stands at around £16.8m on Chief Officer Cash Limited Budgets, mainly on City Fund, and £19.4m on Central Risk Budgets. This represents a worsening position of £7.7m when compared to the forecast at the end of July (Period 4 1). The forecast position will continue to be carefully monitored to reflect the mitigating measures being taken.

## **Appendices**

- Appendix 1: Chief Officers Cash Limited Budgets by Fund
- Appendix 2: Chief Officers Cash Limited Budgets – Income and Expenditure Budget Variances
- Appendix 3: COVID Contingency Allocations

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# Revenue Budget Monitoring Period 6 2020/21 – Appendices

## Appendix 1

Chief Officer Cash Limited Budgets by Fund									
Original Budget £'000	Chief Officer	Full Year Forecast as at 31 July 2020				Full Year Forecast as at 30 September 2020			
		Latest Budget	Forecast	Variance Better / (Worse)		Latest Budget	Forecast	Variance Better / (Worse)	
		£'000	£'000	£'000	%	£'000	£'000	£'000	%
	<b>City Fund</b>								
(1,731)	Chamberlain	(1,755)	(1,420)	335	19%	(1,755)	(1,390)	365	21%
(5,240)	City Surveyor	(5,240)	(5,109)	131	2%	(5,240)	(5,085)	155	3%
(11,168)	Director of Community and Children's Services	(12,791)	(12,975)	(184)	(1%)	(13,058)	(12,584)	474	4%
(2,199)	Director of Markets and Consumer Protection	(2,240)	(2,697)	(457)	(20%)	(2,240)	(2,901)	(661)	(30%)
564	Director of Open Spaces	564	712	148	26%	564	728	164	29%
(20,196)	Director of the Built Environment	(20,243)	(20,553)	(310)	(2%)	(20,243)	(20,790)	(547)	(3%)
(402)	Executive Director Mansion House and Old Bailey	(242)	(531)	(289)	(120%)	(242)	(545)	(303)	(125%)
(17,389)	Managing Director, Barbican Centre	(17,389)	(29,841)	(12,452)	(72%)	(17,389)	(28,613)	(11,224)	(65%)
(15,065)	Town Clerk	(15,332)	(15,504)	(172)	(1%)	(15,150)	(15,421)	(271)	(2%)
<b>(72,826)</b>	<b>Total City Fund (excluding Police)</b>	<b>(74,668)</b>	<b>(87,919)</b>	<b>(13,251)</b>	<b>0%</b>	<b>(74,753)</b>	<b>(86,600)</b>	<b>(11,847)</b>	<b>(16%)</b>
	<b>City's Cash</b>								
(99)	Chamberlain	(99)	(174)	(75)	(76%)	(99)	(174)	(75)	(76%)
(16,080)	City Surveyor	(16,143)	(16,972)	(829)	(5%)	(16,013)	(16,590)	(577)	(4%)
(1,052)	Director of Community and Children's Services	(1,122)	(1,122)	0	0%	(1,122)	(1,122)	0	0%
(1,365)	Director of Markets and Consumer Protection	(1,668)	(1,713)	(45)	(3%)	(1,668)	(1,823)	(155)	(9%)
(11,933)	Director of Open Spaces	(11,852)	(12,710)	(858)	(7%)	(11,963)	(12,135)	(172)	(1%)
(3,334)	Executive Director Mansion House and Old Bailey	(3,246)	(3,388)	(142)	(4%)	(3,246)	(3,542)	(296)	(9%)
(1,217)	Head, City of London Boy's School	(1,217)	(1,176)	41	3%	(1,217)	(1,185)	32	3%
(82)	Headmaster, City of London Freeman's School	118	234	116	98%	(82)	(28)	54	66%
(275)	Headmistress, City of London School for Girls	(275)	(255)	20	7%	(275)	(769)	(494)	(180%)
(6,799)	Principal, Guildhall School of Music and Drama	(6,799)	(9,329)	(2,530)	(37%)	(6,799)	(9,789)	(2,990)	(44%)
(1,391)	Remembrancer	(1,391)	(1,334)	57	4%	(1,391)	(1,322)	69	5%
(215)	Town Clerk	(273)	(268)	5	2%	(273)	(261)	12	4%
<b>(43,842)</b>	<b>Total City's Cash</b>	<b>(43,967)</b>	<b>(48,206)</b>	<b>(4,239)</b>	<b>(10%)</b>	<b>(44,148)</b>	<b>(48,740)</b>	<b>(4,592)</b>	<b>(10%)</b>
	<b>Bridge House Estates</b>								
0	Chamberlain					(45)	(45)	0	0%
(2,703)	City Surveyor	(2,703)	(2,690)	13	0	(2,703)	(2,690)	13	0%
(243)	Director of Open Spaces	(243)	(3,306)	(3,063)	(1,260%)	(243)	(3,306)	(3,063)	(1,260%)
(275)	Director of the Built Environment	(275)	(259)	16	6%	(275)	(259)	16	6%
(2,920)	Town Clerk	(2,920)	(2,441)	479	16%	(2,920)	(2,441)	479	16%
<b>(6,141)</b>	<b>Total Bridge House Estates</b>	<b>(6,141)</b>	<b>(8,696)</b>	<b>(2,555)</b>	<b>(41%)</b>	<b>(6,186)</b>	<b>(8,741)</b>	<b>(2,555)</b>	<b>(41%)</b>
	<b>Guildhall Administration</b>								
(22,165)	Chamberlain	(22,358)	(22,676)	(318)	0%	(22,288)	(22,702)	(414)	(2%)
(8,666)	City Surveyor	(8,686)	(8,347)	339	4%	(8,473)	(8,342)	131	2%
(845)	Comptroller and City Solicitor	(845)	(1,265)	(420)	(50%)	(845)	(1,265)	(420)	(50%)
274	Remembrancer	274	(810)	(1,084)	(395%)	274	(965)	(1,239)	(452%)
(6,536)	Town Clerk	(6,591)	(6,513)	78	1%	(6,591)	(6,461)	130	2%
<b>(37,938)</b>	<b>Total Guildhall Administration</b>	<b>(38,206)</b>	<b>(39,611)</b>	<b>(1,405)</b>	<b>(4%)</b>	<b>(37,923)</b>	<b>(39,735)</b>	<b>(1,812)</b>	<b>(5%)</b>
<b>(160,747)</b>	<b>Grand Total (excluding Police)</b>	<b>(162,982)</b>	<b>(184,432)</b>	<b>(21,450)</b>	<b>(13%)</b>	<b>(163,010)</b>	<b>(183,815)</b>	<b>(20,805)</b>	<b>(13%)</b>
(84,898)	Commissioner of Police (City Fund)	(84,884)	(81,350)	3,534	4%	(84,898)	(80,882)	4,016	5%
<b>(245,645)</b>	<b>Grand Total</b>	<b>(247,866)</b>	<b>(265,782)</b>	<b>(17,916)</b>	<b>(7%)</b>	<b>(247,908)</b>	<b>(264,697)</b>	<b>(16,789)</b>	<b>(7%)</b>

**Barbican Centre Managing Director**

(11,224) Overspend	
Income underachievement (20,811)	Expenditure underspend 9,587

The loss of income forecast is due to the centre closure following the effect of Covid-19 in addition to limited activity being forecast for the remainder of the financial year due to social distancing measures. Expenditure savings are due to activity reductions as well as a hold on all non-essential expenditure.

**Chamberlain**

(124) Overspend	
Expenditure overspend (161)	Income overachievement 37

Chamberlain's is overspent due to recruitment campaigns, consultant fees for software changes, tax advice, unbudgeted security resources and additional staff costs to cover essential modelling work for MTFP, Major projects and City's Cash. Underachievement of income is due to reduction in Freedom ceremonies (assume that Freedoms return to normal levels in January 2021) and fundamental review savings not achieved due to Covid-19.

**City Surveyor**

(277) Overspend	
Income underachievement (698)	Expenditure underspend 421

There have been substantial savings on expenditure made on Guildhall, Walbrook Wharf and Magistrates Court running costs and though reduced reactive repair costs due to lower use of properties. These savings are offset by reduced income through recovery of costs from government grants and service charges; recovery of security and other staff costs relating to Guildhall from external events; and reduced professional fee income due to a lower number of property deals. The Investment Estates are anticipated to be on target but will depend on any significant tenant failures during the pandemic.

**Commissioner of Police**

4,016 Underspend	
Expenditure underspend 4,132	Income underachievement (116)

The current position is based on an escalated recruitment process and several new appointments, made recently (45 new joiners in July –Officers and Staff). Police services have remained as business as usual during Covid-19, there have been no other variances in income and expenditure to date. Overtime, non-pay and income are currently forecasted to budget. Challenging savings target of £5.7m expected to be achieved in this financial year. Covid-19 pressures exist for CoLP, however, losses can be claimed from the Home Office as part of the 'ring-fenced £1.2m uplift grant'. Wood Street and New Street costs for 20/21 will have to be managed and accommodated within existing budgets, including the significant delay in closure of Wood Street.

**Comptroller and City Solicitors**

(420) Overspend	
Income underachievement (420)	

Current Comptroller's income budgets are currently expecting an overspend due to the external income levels dropping due to the commercial property sector market slowing down due to Covid-19. Internal Income is due to be on target.

**Director of Community and Children's Services**

474 Underspend	
Income overachievement 614	Expenditure overspend (140)

Largest pressure is within DCCS on Rough Sleepers and Homelessness budgets. Most of these additional costs are being absorbed by a current underspend on Adult/Older People Social Care. This has been based on the current level of clients, however a small change in client numbers can have a major impact on the budget.

### Director of Markets and Consumer Protection

(816) Overspend		
Income underachievement (853)	Expenditure Underspend 37	...

The forecast overspend mainly reflects the impact of COVID-19 on income generation across services, principally at the Ports, Heathrow Animal Reception Centre and Licensing which are collectively forecasting a shortfall of £1m. In addition, there have been losses of car parking income, filming income as a result of Covid-19, reduction in service charge income and recovery of energy and water costs.. Further losses will be incurred if any rent-free periods are offered to qualifying tenants. These shortfalls are partly offset by an increase in transfers from reserves and by new grant income at the Ports.

### Director of Open Spaces

(3,070) Overspend	
Income underachievement (5,373)	Expenditure underspend 2,302

Shortfall principally due to Tower Bridge Tourism where the figures based on current assumption following 4 July reopening. Figures inclusive of estimated income for Admissions, Filming and Corporate Events. Admissions estimates are based on operational capacity to ensure social distancing (14% of normal capacity Sept-Dec and 20% thereafter). The events business is not restarting until October 2020 in line with Government advice and the gradual growth of admissions and retails is based on tourism sector predictions and data for recovery. Shortfall of income will be partially offset by savings principally due to Tower Bridge Tourism opening costs and significant cuts to planned minor works budgets (content development and visitor improvement projects).

### Director of the Built Environment

(531) Overspend	
Income underachievement (3,127)	Expenditure underspend 2,596

The forecast expenditure underspend is mainly due to a reduction in Highways repairs and maintenance, and in the cost of parking enforcement and street cleansing contracts as a result of Covid-19, together with staff vacancies across the department, and savings from closure and early removal of Automatic Public Conveniences. The underspend is offset by a shortfall in income due to significant impact of covid-19 on income streams across the department, most significantly within off-street parking, traffic management, public conveniences, drains & sewers, and building control services, together with a reduction in income from staff recharges to capital projects, also due to Covid-19 and its impact on phasing and delivery of projects.

### Executive Director Mansion House and Old Bailey

(598) Overspend	
Income underachievement (553)	Expenditure overspend (45)

The shortfall in income is due to no events taking place so far this year at Mansion House which would normally be approximately £500k per year. The forecast anticipates that events in some form will take place from January onwards. Expenditure overspend is due to additional costs for PPE for staff and cleaning at the Central Criminal Court, offset by significant cost savings against the Lord Mayor's travel budget as no travel has happened so far in this financial year.

### Head of the Boys School

32 Underspend	
Expenditure Underspend 1,064	Income underachievement (1,032)

Forecast expenditure underspend due to miscellaneous potential savings identified to help respond to the ongoing pandemic. The transfer to the Capital Reserve Fund in 2020/21 has been reduced due to the available funding. The School is anticipating a reduction in income from tuition fees as a result of the ongoing pandemic.

### Headmaster of the City of London Freemans School

54 Underspend	
Expenditure Underspend 2,055	Income underachievement (2,001)

Shortfall of income due to a reduction in tuition fees compared to budget, boarding fees and school means as a result of the pandemic. The current forecast transfer from the school's General Reserve Fund to revenue for 2020/21 will result in that fund becoming overdrawn at year end. Expenditure savings due to budgeted transfer to Capital Reserve Fund not going ahead and identified miscellaneous savings due to the pandemic.

### Headmistress of City of London School for Girls

(494) Overspend	
Income underachievement (665)	Expenditure Underspend 171

Expenditure underspend is largely due to the budgeted transfer to Capital Reserve Fund no longer being forecast for 20/21 and a reduction in expenditure following savings identified at the School. The School is anticipating a reduction in income compared to budget as a result of the ongoing pandemic. This is partly offset by a forecast transfer from the General Reserve Fund which will result in the fund becoming overdrawn at year end.

### Principal Guildhall School of Music and Drama

(2,990) Overspend	
Income Underachievement (2,864)	Expenditure Underspend (126)

The School will incur additional costs for space, equipment and staffing to support socially distanced onsite as well as online teaching as a result of Covid-19. The School has had to reduce/cease a number of income generating activities due to Covid-19 including stopping short courses, not letting out student accommodation during the Summer term (April to July), not letting out space during the summer to external providers, removing bar and catering income, and reduced fees from under-18 provision. It remains possible that further losses will arise as and when students start to come to the UK for the new Academic Year.

### Remembrancer

(1,170) Overspend	
Income Underachievement (1,730)	Expenditure Underspend 560

No private event hire at Guildhall has taken place since the start of the financial year and is unlikely to take place until at least late autumn. This means 3 of the 4 most lucrative months in the year - May, June, September and November will achieve nil or very nearly nil income. Due to the impact of not being able to host any events at the Guildhall, there will be significant cost savings associated with not hosting these events including staff time, equipment hire, printing and advertising.

### Town Clerk

350 Underspend	
Expenditure Underspend 176	Income Overachievement 174

The City Bridge Trust forecasting an underspend due to posts yet to be filled, transfer of some staff costs to LCRF, TNCLF and some operational savings due to staff working remotely.

Policy and Resources forecasts Covid-19 related grants over budget this is to reimburse expenditure works being undertaken by the Strategic COVID Group. Forecast overspends on staff costs and legal fees; IG budgets overspend; Covid related costs on SCG, mortuary costs, transition management group which will receive income to fund these.

Culture, Heritage and Libraries are forecasting an expected loss of income due to closures and reduced as a result of covid.

## COVID spend as at 5 October 2020

The table below shows the approved spend against the COVID Contingency budget of £1.5m

Date	Bid Name	Description	Department	COVID Category	Fund	Allocation 2020/21
						£
		<b>TOTAL BUDGET</b>				<b>1,500,000</b>
03/04/2020	SMTA Rates Bill	For the COL to meet the cost of the Smithfield Market tenants rate bill as they are not covered by the government scheme; the City pays then recharges the tenants. The other Market tenants are covered under the scheme.	Markets & Consumer Protection	2. Support unforeseen expenditure required to support service	CF	79,000
07/04/2020	Provision of laptops	Urgent IT equipment being requested to be able to continue working at a business as usual capacity.	Chamberlains	2. Support unforeseen expenditure required to support service	CF	45,000
21/04/2020	COLPAI - CCTV	Installing CCTV at COLPAI site - Battery: CCTV installation at £35k for equipment + £6k for the fuel replacements for the second year	Communities and Children Services	2. Support unforeseen expenditure required to support service	CF	41,000
17/04/2020	Support the Mortality Management Group	Staffing resource during the COVID-19 crisis	Town Clerks	1. To enact contingency planning arrangements.	CF	27,000

24/04/2020	Direct Access Server Replacement + Additional Server	We have an urgent need to replace 1 Direct Access Server and add an additional server to improve resilience of our critical remote working infrastructure will take approximately 5-6 working days to complete from point of agreement	Chamberlains	2. Support unforeseen expenditure required to support service		37,000
11/05/2020	CoLP IT Resilience	CoLP had early and critical issues with the remote working infrastructure for the City of London Police. The solution agreed accelerates the CoLP IT Modernisation Programme to deliver new laptops between May and June to all the remote working staff. The 'Accelerated' implementation plan re-profiles the deployment of Windows laptop devices to officers and staff, focussing on core Productivity and Collaboration tools, delivering essential functionality sooner.	CoL Police	2. Support unforeseen expenditure required to support service continuity which cannot be met from a Chief Officers local risk budget.	CF	263,000
28/05/2020	Health and safety changes relating to public reception areas and visitor attractions	To reduce workspace risk and provide a safe workspace and safe public reception areas for a range of infrastructure changes required across all the Open Spaces including: Perspex barrier screens, tensator barriers, internal and external floor markers, additional signage, hand sanitiser stands to enable attractions to re-open to the public and generate income.	Open Spaces	2. Support unforeseen expenditure required to support service continuity which cannot be met from a Chief Officers local risk budget.	CC	65,000
09/06/2020	Using Public Transport and Social Distancing - Face Coverings	To note the report on face coverings for staff and endorse the proposal to purchase free reusable face coverings for all returning staff as a one off.	HR	3. To support and implement guidance issued by Government where there is no other compensating source of funding.	GHA	22,000

24/06/2020	CoL IT - Remote Working upgrades and expenses	Work required to ensure that systems are more stable to manage the large influx of additional people working at home including; Field Support for build and deploy of laptops at the start of COVID to prepare staff for Remote Working and fast track Intune/Azure Work.	Chamberlain's	2. Support unforeseen expenditure required to support service continuity which cannot be met from a Chief Officers local risk budget.	CC	81,000
08/07/2020	Everyone In - Rough sleeping response	Funding hotels on an ad hoc, commercial, basis along with procuring the sole use of a youth hostel, as operated by YHA, by St Paul's cathedral. In addition to this it was necessary to fund an increase in welfare provision, along with ensuring that an increase in safe, accessible, support was enacted by providers.	Communities and Children Services	2. Support unforeseen expenditure required to support service continuity which cannot be met from a Chief Officers local risk budget.  3. To support and implement guidance issued by Government where there is no other compensating source of funding.	CF	261,000
09/07/2020	City of London Academies Trust Funding Request for Summer Provision 2020/21	CoLAT proposes a 10-day catch-up programme delivered over August 2020 to address learning gaps in English and Maths and other subject areas. The provision will be for pupils in Years 6 and 10 in preparation for the transition to secondary school and GCSEs respectively.	CoL Academies	2. Support unforeseen expenditure required to support service continuity which cannot be met from a Chief Officers local risk budget.	CC	70,000
27/07/2020	Brakespear Mortuary	Support the provision of a resilience mortuary to give a buffer above 3 month discussed below in case things change. We would clearly only spend if the facility continues to be funded on a pan-London basis.	Town Clerks	2. Support unforeseen expenditure required to support service	CF	44,000
05/10/2020	Public Health Communications Officer	The Communications Team requires funding for a Public Health Communications Officer to lead and co-ordinate all City Corporation communications relating to COVID19 and the second wave. Following agreed COVID-19 Outbreak Communications and Emergency Response plans, the post-holder will provide clear communications to City residents, workers and visitors, as London grapples with a rise in	Town Clerks	1. To enact contingency planning arrangements. 2. Support unforeseen expenditure required to support service continuity which cannot be met from a Chief Officers local risk budget. 3. To support and implement guidance issued by Government	CF	50,000

		infections and potential imposition of further restrictions as we head into the winter period.		where there is no other compensating source of funding.		
		<b>TOTAL ALLOCATIONS</b>				<b>1,080,000</b>
		<b>BALANCE AVAILABLE</b>				<b>420,000</b>

## **CITY RE LIMITED**

**Directors' Report and Financial Statements**

**For the year ended 31 March 2020**

# CITY RE LIMITED

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# CITY RE LIMITED

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## CORPORATE INFORMATION

### DIRECTORS:

Mr G A Hollingsworth  
Mr S A Le Prevost  
Dr P R Kane  
Mr J Mayhew

### INSURANCE MANAGER:

Marsh Management Services Guernsey Limited  
(previously JLT Insurance Management (Guernsey) Limited)  
Mill Court  
La Charroterie  
St Peter Port  
Guernsey  
GY1 4ET

### SECRETARY:

Marsh Management Services Guernsey Limited  
(previously JLT Insurance Management (Guernsey) Limited)  
Mill Court  
La Charroterie  
St Peter Port  
Guernsey  
GY1 4ET

### REGISTERED OFFICE:

PO Box 155  
Mill Court  
La Charroterie  
St Peter Port  
Guernsey  
GY1 4ET

### AUDITOR:

Moore Stephens Audit and Assurance (Guernsey) Limited  
Town Mills South  
La Rue Du Pre  
St Peter Port  
Guernsey  
GY1 1LT

# CITY RE LIMITED

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## DIRECTORS' REPORT

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

### INCORPORATION

The Company was incorporated in Guernsey, Channel Islands on 20 December 2010 with registered number 52816. It operates in accordance with the provisions of The Companies (Guernsey) Law, 2008 and The Insurance Business (Bailiwick of Guernsey) Law, 2002 to carry out general insurance business, excluding domestic business.

### ACTIVITIES

The principal activity of the Company during the year was to provide re-insurance protection to the RSA Group on the risks associated with material damage and loss of rent for the City of London's property portfolio.

### RESULTS

The results for the year are shown on page 8.

### DIVIDENDS

During the year no dividend was proposed for payment (2019: Nil).

### DIRECTORS

The directors of the Company who held office during the period are detailed on page 3.

### DISCLOSURE OF INFORMATION TO AUDITOR

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's Auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

### AUDITOR

The Auditor, Moore Stephens Audit and Assurance, has indicated its willingness to continue in office and offers itself for re-appointment at the forthcoming Annual General Meeting.

### GOING CONCERN

The directors have, at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. They have considered the risks of the Covid-19 pandemic and do not consider that it will materially affect the going concern of the Company. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Approved by the Board of Directors and signed on behalf of the Board

Director:



Director:



Date:

26th June 2020

# CITY RE LIMITED

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## STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Director's 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 they have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and Financial Reporting Standard 103 "Insurance Contracts". 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 the affairs of the company and the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 proper accounting records which 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 (Guernsey) Law, 2008. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CITY RE LIMITED

### Opinion

We have audited the financial statements of City Re Limited for the year ended 31 March 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and Financial Reporting Standard 103 "Insurance Contracts" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of The Companies (Guernsey) Law, 2008 and The Insurance Business (Bailiwick of Guernsey) Law, 2002.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)"). Our responsibilities under these standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Guernsey, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where The Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the company; or
- the financial statements are not in agreement with the accounting records; or
- we have failed to obtain all the information and explanations, which, to the best of our knowledge and belief, are

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CITY RE LIMITED (Continued)

### Matters on which we are required to report by exception (continued)

We have nothing to report in respect of the following matters where The Insurance Business (Bailiwick of Guernsey) Law, 2002 requires us to report to you if, in our opinion:

- the information given in the annual return prepared pursuant to section 33 is inconsistent with the financial statements; or
- there is any transaction outside the normal course of business which resulted in the Statement of Financial Position showing a situation materially different from that which would otherwise have obtained, and which is not adequately disclosed in the financial statements.

### Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of our report

This report is made solely to the company's members, as a body, in accordance with Section 262 of The Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**MOORE STEPHENS AUDIT AND ASSURANCE (GUERNSEY) LIMITED**

Town Mills South  
La Rue Du Pre  
St Peter Port  
Guernsey, GY1 3HZ

Date

26 June 2020

# CITY RE LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2020

		31 Mar 2020	31 Mar 2019
	Notes	£	£
<b>CONTINUING OPERATIONS</b>			
<b>REVENUE</b>			
Gross premiums written	2	2,705,557	2,713,316
Change in unearned premium provision	2	( 14,565)	( 209,602)
<b>Premium earned for the year</b>		<b>2,690,992</b>	<b>2,503,714</b>
<b>UNDERWRITING EXPENSES</b>			
Claims payable	2	( 1,631,236)	( 1,741,737)
Claims reserve movement - outstanding loss reserves	2	213,589	( 799,638)
Commission	2	( 80,730)	( 75,111)
<b>Total underwriting expenses</b>		<b>( 1,498,377)</b>	<b>( 2,616,486)</b>
<b>UNDERWRITING RESULT FOR THE YEAR</b>		<b>1,192,615</b>	<b>( 112,772)</b>
Interest income	2	28,495	22,128
Administrative expenses	6	( 73,276)	( 74,530)
<b>PROFIT BEFORE TAXATION AND COMMISSION</b>		<b>1,147,834</b>	<b>( 165,174)</b>
Profit commission payable	2	( 17,218)	-
<b>PROFIT BEFORE TAXATION</b>		<b>1,130,616</b>	<b>(165,174)</b>
Taxation	5	-	-
<b>RETAINED PROFIT/(LOSS) AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>1,130,616</b>	<b>( 165,174)</b>

The notes on pages 12 to 19 form part of these financial statements.

# CITY RE LIMITED

## STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2020

	Notes	31 Mar 2020 £	31 Mar 2019 £
<b>CURRENT ASSETS</b>			
Deferred commission		59,007	58,570
Prepaid expenses		15,700	16,890
Cash and cash equivalents		7,154,220	5,627,792
<b>TOTAL ASSETS</b>		<b>7,228,927</b>	<b>5,703,252</b>
<b>EQUITY AND LIABILITIES</b>			
Issued capital	7	750,000	500,000
Retained earnings		1,229,163	98,547
<b>TOTAL EQUITY</b>		<b>1,979,163</b>	<b>598,547</b>
<b>LIABILITIES</b>			
Trade and other payables	8	605,153	261,070
<b>TECHNICAL RESERVES</b>			
Unearned premium reserve	2	1,966,914	1,952,349
Claims reserves	9	2,677,697	2,891,286
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7,228,927</b>	<b>5,703,252</b>

These financial statements were approved by the Board of Directors at a meeting on 26 June 2020

Signed on behalf of the Board of Directors

Director



Director



The notes on pages 12 to 19 form part of these financial statements.

# CITY RE LIMITED

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

	Share Capital	Retained Earnings £	Total £
<b>Balance at the 31 March 2018</b>	<b>500,000</b>	<b>263,721</b>	<b>763,721</b>
Additional share capital received in the year	-	-	-
Total comprehensive loss for the year	-	( 165,174)	( 165,174)
<b>Balance at the 31 March 2019</b>	<b>500,000</b>	<b>98,547</b>	<b>598,547</b>
<b>Balance at the 31 March 2019</b>	<b>500,000</b>	<b>98,547</b>	<b>598,547</b>
Additional share capital received in the year	250,000	-	250,000
Total comprehensive income for the year	-	1,130,616	1,130,616
<b>Balance at the 31 March 2020</b>	<b>750,000</b>	<b>1,229,163</b>	<b>1,979,163</b>

The notes on pages 12 to 19 form part of these financial statements.

# CITY RE LIMITED

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

	31 Mar 2020 £	31 Mar 2019 £
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(loss) for the year	1,130,616	( 165,174)
Less interest income	( 28,495)	( 22,128)
Increase in unearned premiums	14,565	209,602
Increase/(decrease) in prepaid expenses	1,190	( 7,415)
Increase/(decrease) in trade and other payables	344,083	( 14,079)
(Decrease)/increase in claims reserves	( 213,589)	799,638
Decrease in deferred income	( 437)	-
<b>Net cash inflow from operating activities</b>	<b>1,247,933</b>	<b>800,444</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	28,495	22,128
<b>Net cash from investing activities</b>	<b>28,495</b>	<b>22,128</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in share capital	250,000	-
<b>Net cash from financing activities</b>	<b>250,000</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,526,428</b>	<b>822,572</b>
Cash and cash equivalents brought forward	5,627,792	4,805,220
<b>Cash and cash equivalents carried forward</b>	<b>7,154,220</b>	<b>5,627,792</b>

The notes on pages 12 to 19 form part of these financial statements.

# CITY RE LIMITED

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

### 1. BASIS OF PREPARATION

The company is a limited company, limited by shares and is incorporated in Guernsey. The address of its registered office is PO Box 155, Mill Court, La Charroterie, St Peter Port, Guernsey, GY1 4ET.

The principal activity of the company is to provide reinsurance protection to the RSA Group on the risks associated with the material damage and loss of rent insurance programmes of the City of London property investment portfolio.

The financial statements have been prepared in accordance with The Insurance Business (Bailiwick of Guernsey) Law, 2002, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and FRS 103 "Insurance Contracts".

### 2. PRINCIPAL ACCOUNTING POLICIES

These financial statements are prepared under the historical cost convention.

The preparation of financial statements in compliance with FRS102 and FRS103 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the accounting policies.

#### *(a) Going concern*

The directors have, at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. They have considered the risks of the Covid-19 pandemic and do not consider that it will materially affect the going concern of the Company. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

#### *(b) Gross premiums written*

Gross premiums written is in respect of the provision of reinsurance protection to RSA Insurance Group Plc on the risks associated with material damage and loss of rent insurance programmes of the City of London portfolio.

#### *(c) Unearned premiums*

Unearned premium represents the proportion of premium which has been pre-paid for the following financial period.

#### *(d) Claims*

Claims are accounted for on an accruals basis. Provisions made for the cost of outstanding claims reported at the reporting date are included in the outstanding loss reserve. The estimate for the cost of claims incurred but not reported ("IBNR") is included in the IBNR reserve. The current IBNR is in the sum of £125,000 is determined by the Board of Directors using both historical data and any data available up to the approval of the financial statements, in relation to the provision of new claims and deterioration of existing claims.

#### *(e) Commission*

Fronting fees calculated as 3% of gross premiums written is payable to RSA Insurance Group Plc and are earned over the related policy period.

Profit commission calculated as 1.5% of the profit before tax in the financial period is payable to JLT Insurance Management (Guernsey) Limited.

#### *(f) Interest income*

Interest income is accounted for on an accruals basis.

#### *(g) Cash and cash equivalents*

Cash and cash equivalents comprise bank balances, short term fixed deposits and short term notice accounts.

# CITY RE LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2020

### 3. FINANCIAL INSTRUMENTS

#### Financial Assets

Basic financial assets, including debtors and cash and cash equivalents, are initially recognised at transaction price, and are subsequently carried at amortised cost.

#### Debtors arising out of insurance operations

Debtors arising out of insurance operations consist of balances due from the insurer in respect of outstanding premiums.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. None of the financial assets at the year end are deemed to be impaired.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

#### Financial liabilities

All financial liabilities are initially recognised at transaction price and are subsequently carried at amortised cost.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

The Company does not hold or issue derivative financial instruments.

#### Creditors arising out of insurance operations

Creditors arising out of insurance operations consist of balances due to the insurer in respect of outstanding claims payable.

#### Offsetting

Financial assets and liabilities are not offset in the accounts and the gross amounts are shown in the financial statements.

### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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.

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of the applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

The estimation of the ultimate liability arising from claims made under insurance contracts is the Company's most critical accounting estimate.

# CITY RE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2020

### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

The most significant assumptions made relate to the level of future claims, the level of future claims settlements and the legal interpretation of insurance policies. Whilst the directors consider that the gross provision for claims are fairly stated on the basis of the information currently available to them, the ultimate liability will vary as a result of subsequent information and events and may result in significant adjustments to the amount provided. Adjustments to the amounts of provision are reflected in the financial statements for the period in which the adjustments are made.

#### Outstanding loss reserves.

The carrying amount of the reserve is £2,552,697 (2019: £2,766,286). There are several sources of uncertainty that need to be considered in the estimate of the liability that the Company will ultimately pay for such claims. The level of provision has been set on the basis of the information that is currently available, including potential outstanding loss advices, experience of development of similar claims and on the advice of expert loss adjusters where appropriate.

#### IBNR

The current IBNR is in the sum of £125,000 (2019: £125,000) is determined by the Board of Directors using both historical data and any data available up to the date of approval of the financial statements, in relation to the provision of new claims and deterioration of existing claims.

### 5. TAXATION

The Company is taxed at the standard rate of income tax for Guernsey companies of 0%.

### 6. ADMINISTRATIVE EXPENSES

	31 Mar 2020	31 Mar 2019
	£	£
Management fees	52,038	51,975
Audit fees	5,730	6,460
Directors' fees	7,515	7,500
Consultancy fees	-	400
Company registration fees	6,146	6,156
Directors and officers insurance premium	1,178	1,292
Sundry expenses	669	747
	<b>73,276</b>	<b>74,530</b>

### 7. SHARE CAPITAL

	31 Mar 2020	31 Mar 2019
	£	£
<b>ISSUED SHARE CAPITAL</b>		
750,000 GBP1 Ordinary Shares (2019: 500,000 £1 Shares)	<b>750,000</b>	<b>500,000</b>

#### Dividends

Shareholders of ordinary shares are entitled to receive dividends declared by the Company.

#### Capital

On winding up of the assets of the Company, the holder of ordinary shares is entitled to repayment of the nominal amount paid thereon. Any surplus is attributable to holders of ordinary shares pro rata in proportion to the number of ordinary shares.

#### Voting rights

Ordinary shares carry one vote per shareholder at general meetings.

# CITY RE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2020

### 8. TRADE AND OTHER PAYABLES

	31 Mar 2020	31 Mar 2019
	£	£
Claims payable	573,667	252,595
Profit commission	17,218	-
Audit fees	6,000	6,000
Directors and officers premium	51	-
Insurance balances payable	6,127	-
Consultancy fees	-	400
Directors' fees	2,090	2,075
	<b>605,153</b>	<b>261,070</b>

### 9. CLAIMS RESERVES

	31 Mar 2020	31 Mar 2019
	£	£
IBNR reserve	125,000	125,000
Outstanding loss reserves	2,552,697	2,766,286
	<b>2,677,697</b>	<b>2,891,286</b>

### 10. FINANCIAL RISK MANAGEMENT

The Company is exposed to a range of financial risks through its financial assets, financial liabilities and policyholder liabilities. The most important components of these financial risks are market risk (interest rate risk), credit risk, currency risk and liquidity risk. The risk management policies employed by the Company to manage these risks are discussed below.

#### a) Credit Risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. The Company manages the levels of credit risk it accepts by limiting its exposure to a single counterparty, or groups of counterparty. Such risks are subject to regular review by the Board of Directors.

The assets bearing credit risk and their associated credit ratings are shown below:

	31 Mar 2020	31 Mar 2019
	£	£
<i>Assets bearing credit risk</i>		
Cash and cash equivalents	<b>7,154,220</b>	5,627,792
<i>By Rating</i>		
A rated	<b>7,154,220</b>	5,627,792

No financial assets are past due or impaired at the reporting date and management expects no significant losses from non-performance by these counterparties.

#### b) Liquidity risk

Liquidity risk is the risk that the company cannot meet its obligations associated with financial liabilities as they fall due. The company has adopted an appropriate liquidity risk management framework for the management of the company's liquidity requirements. The company manages liquidity risk by maintaining banking facilities and monitoring premiums due and by continuously monitoring the forecast and actual cash flows and matching the maturity profiles of assets and liabilities. The company is exposed to liquidity risk arising from its insurance activities. Liquidity management ensures that the company has sufficient access to funds necessary to cover insurance liabilities and expenses. All financial liabilities are due to be settled within the next twelve months.

There were no significant changes to the company's liquidity risk exposure in the financial year nor the objectives, policies and processes for managing liquidity risk.

# CITY RE LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2020

### 10. FINANCIAL RISK MANAGEMENT (Continued)

#### *c) Interest rate risk*

The Company is exposed to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its bank deposits, cash and cash equivalents and cash flows. At 31 March 2020 the Company had various interest bearing accounts bearing interest rates ranging from 0.10% to 0.65% (2019: 0.10% to 0.55%).

During the year to 31 March 2020, if Bank of England interest rates had been 50 basis points higher with all other variables held constant, profit for the year would have been increased by £35,771 (2019: £28,139), as a result of interest received on cash and cash equivalents. However if Bank of England interest rates had been 50 basis points lower with all other variables held constant, no interest would have been received therefore a decrease to profit for the year by £28,495 (2019: £22,128).

The following are the underlying assumptions made in the model used to calculate the effect on profits and other components of equity:

- The bank balances at 31 March 2020 formed the basis of the calculation.
- A 50 basis point charge on these principal balances reflects the absolute increase or decrease in profit that could arise with such an interest rate movement. The directors have chosen the estimate of 50 basis points as this reflects the directors best estimate of the change in interest rates which could reasonably be expected to occur.

#### *d) Currency risk*

The company manages their foreign exchange risk by currently ensuring all commercial transactions or recognised assets and liabilities are denominated in its functional currency.

#### *e) Concentration risk*

Concentration risk arises when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. The Board does not feel that the company is exposed to significant concentration risk at the current time.

### 11. MANAGEMENT OF INSURANCE RISK

The principal risk that the Company faces under its insurance contracts is that the actual claims are significantly different to the amounts included in the technical reserves. This could occur because the frequency or severity of claims and benefits are greater or lower than estimated. Insurance events are fortuitous and the actual number and amounts of claims may vary from year to year from the estimate established.

The Company provides re-insurance protection to the RSA Insurance Group Plc on the risks associated with material damage and loss of rent for the City of London's property portfolio. The re-insurance protection is limited to a maximum liability of £250,000 for each and every loss with an aggregate limit equal to £250,000 in excess of net written premium.

All risks covered under the insurance policy are within the United Kingdom.

#### Claims development tables

The claims development table that follows shows claims reported per underwriting year which remain open in the respective policy year.

# CITY RE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2020

### 11. MANAGEMENT OF INSURANCE RISK (Continued)

#### *Claims development table at 31 March 2020*

<u>Underwriting year</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>Total</u>
accounting period end	427,179	201,400	188,840	223,724	837,927	495,995	189,228	2,564,293
one year later	1,361,059	1,350,481	1,543,888	1,436,816	2,172,013	1,511,546	-	9,375,803
two years later	1,411,703	1,239,357	1,643,108	1,603,168	2,240,475	-	-	8,137,811
three years later	1,526,623	1,150,662	1,858,804	1,525,342	-	-	-	6,061,431
four years later	1,496,967	1,130,234	2,085,243	-	-	-	-	4,712,444
five years later	1,846,640	1,125,270	-	-	-	-	-	2,971,910
six years later	1,846,640	-	-	-	-	-	-	1,846,640
Current estimate of cumulative claims	1,846,640	1,125,270	2,085,243	1,525,342	2,240,475	1,511,546	189,228	10,523,744
Cumulative payments to date	(1,754,410)	(1,124,274)	(1,570,773)	(1,355,671)	(1,592,282)	(568,382)	(5,255)	(7,971,047)
<b>Statement of Financial Position Reserves</b>	<b>92,230</b>	<b>996</b>	<b>514,470</b>	<b>169,671</b>	<b>648,193</b>	<b>943,164</b>	<b>183,973</b>	<b>2,552,697</b>

The Company has currently provided for an Incurred but not Reported Reserve in the sum of £125,000 (2019: £125,000) which has been agreed by the Board.

# CITY RE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2020

### 12. CAPITAL MANAGEMENT

The Company defines capital in accordance with regulations prescribed by the Guernsey Financial Services Commission ("GFSC"). The Company's capital consists of:-

	31 Mar 2020	31 Mar 2019
	£	£
Share Capital	750,000	500,000
Retained earnings	1,229,163	98,547
Capital to meet Minimum Capital Requirements	1,979,163	598,547
Adjustments	-	-
Capital to meet Prescribed Capital Requirements	<u>1,979,163</u>	<u>598,547</u>

Its objectives when managing capital are:

- i) to comply with legal and statutory obligations and maintain capital resources commensurate with the nature, scale and risk profile of its business;
- ii) to provide a framework for monitoring the financial and capital position of the Company, including the procedures to be followed during periods of general financial distress, either due to internal or external events; and
- iii) to safeguard the Company's ability to continue as a going concern.

Under the rules prescribed by the GFSC, the Company must at all times maintain assets of a value sufficient to cover its liabilities, including liabilities arising under or in connection with contracts of insurance and that there is a suitable matching of assets and liabilities.

Under the current regulations, the GFSC rules require the Company to maintain a surplus of admissible assets over its liabilities which is at all times at least higher than both its MCR and PCR. The MCR represents the point at which the regulator would invoke the strongest action, while the PCR is the level of capital above which no action is required, with varying degree of action required if capital lies between MCR and PCR.

As at 31 March 2020, the Company held a surplus of £1,352,970 above its MCR requirement of £626,193 and a surplus of £1,098,559 above its PCR requirement of £880,604.

Management information to monitor the Company's capital requirements and solvency position is produced and presented to the Board on a regular basis ensuring that the Company meets its capital requirements at all times.

### 13. TECHNICAL PROVISIONS

Technical provisions arising from insurance contracts are included in these financial statements as follows:

	31 Mar 2020	31 Mar 2019
	£	£
<b>Gross</b>		
Unearned premium reserve	1,966,914	1,952,349
IBNR provision	125,000	125,000
Outstanding loss reserves	2,552,697	2,766,286
Total technical provisions, gross	<u>4,644,611</u>	<u>4,843,635</u>

Provisions for claims reported are estimated using the latest available information which comprises up to date reports from the claims handlers, loss adjusters and fronting insurers, on that basis there are no significant assumptions impacting on the level of the claims other than the assumption that the information used is complete and accurate.

## NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31 MARCH 2020

### 14. RELATED PARTY DISCLOSURE

The parent Company and ultimate controlling party which has interests in 100% (2019: 100%) of the issued share capital of the company is the City of London Corporation, the municipal body of the City of London, acting in its City's Cash capacity.

#### *Key management personnel of the company*

Key management personnel include all directors who together have authority and responsibility for planning, directing and controlling the activities of the company. The total compensation paid to key management personnel for services provided to the company was £7,515 (2019: £7,500).

### 15. SUBSEQUENT EVENTS

The coronavirus disease ("Covid-19") was identified in December 2019 and was recognised as a pandemic by the World Health Organisation on 11 March 2020. The current insurance policy does not cover loss of rents due to a pandemic and therefore the Board do not believe that Covid-19 will impact the figures reported in these financial Statements. Although the rapid development and fluidity of the Covid-19 virus situation makes it difficult to predict whether it will have any effect on the Company at this stage and as such no changes are expected to the figures reported.

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