UK Finance

Annual Report and Financial Statements

2024

1 January to 31 December

UK Finance

Representing 300 firms, we're a centre of trust, expertise and collaboration at the heart of financial services. Championing a thriving sector and building a better society.

Our purpose

To build a better society.

Our corporate objectives

- Empowered people
- Expert advocacy
- Authoritative data
- Trusted partnerships
- Excellent services
- Financial resilience

Our vision and values

To be the best financial services trade association in Europe, solving the problems of today and shaping the landscape of tomorrow.

Integrity. We act for the good of our members, customers and society.

Excellence. We set the standards for quality, experience, and best practice.

Leadership. We drive innovation and shape the future finance landscape.

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Chief Executive's Foreword

The financial services sector delivers real benefits to UK consumers and businesses by helping people buy their first home, supporting small businesses to begin trading, enabling payments to be made swiftly and securely, and helping companies scale up and trade internationally. Across these and many more issues, our approach is to work with government to support key public policy objectives.

2024 was a really successful year for UK Finance and it demonstrated the strength of the financial services industry and what we can achieve through our collaborative partnerships and advocacy.

A lot of our work was focused around the general election. At the start of 2024 I gave an interview to City AM in which I talked about how positive both main political parties were about financial services. That was a really welcome backdrop as we entered the election period. During that period we issued a financial services manifesto which outlined a range of policy ideas that the sector would like to see taken forward.

The new government has been clear that it is focused on delivering sustained economic growth, and financial services are vital in achieving that goal. The Chancellor's Mansion House speech referred to financial services as the "crown jewel of our economy", in what I believe to be one of the most pro-sector and pro-growth speeches that I have heard for a long time. It demonstrated that the government had listened to what UK Finance and the industry have been saying about the need for a better balance between risk taking and protection in order to help the government's growth agenda. Ahead of the speech, we engaged with the government on these issues, sending a letter to the Chancellor about the sector's risk appetite, and so we were pleased to hear her speech reflect our narrative.

In October I gave evidence to the House of Lords Financial Services Regulation Committee's enquiry into the regulators' secondary growth and competitiveness objective and in December I appeared before the House of Commons Treasury Committee who were looking at the work of the FCA. In both of these sessions I talked about the need for us to rebalance regulation and allow it to better support growth and competitiveness.

Across our policy areas we had a busy year, with a number of notable successes. We engage regularly with the government and regulators, representing members' interests on a broad range of issues in Westminster and Whitehall.

Focusing on competitiveness and helping to grow the economy remains a top priority. We welcomed the publication of the FCA's final rules for a new, simplified and more competitive listing regime, an important step forward in the evolution of our capital markets. The rules confirmed a shift to a more disclosure-based approach. Changes were made on voting structures, free float requirements, reporting requirements for early stage companies and more. To have so much of our feedback on behalf of members being represented in the final rules reflects the hard work carried out over the past three years. The regulator's changes will enable our markets to better support a wider range of companies and offer new opportunities to investors and savers, and is a perfect example of balance between risk and customer protection.

The industry continues to tackle the scourge of economic crime. In the first half of 2024, the industry prevented over £710 million of unauthorised fraud. We successfully delivered an enhanced claims management system for Authorised Push Payment (APP) fraud mandatory reimbursement to support our members complying with the new rules. This work was a significant undertaking, and we also developed a consumer guide and toolkit of assets to communicate the changes. Additionally, our advocacy work saw the Payment Systems Regulator (PSR) adopt our suggestion of £85,000 as the APP reimbursement threshold instead of £415,000, and we secured an earlier review of the effectiveness of the rules. We've been helping customers protect themselves from fraud with our Take Five to Stop Fraud campaign, and through our evidence to Parliamentary Committees, saw regulatory changes to the Economic Crime and Corporate Transparency Act. The Dedicated Card and Payment Crime Unit (DCPCU) continued to deliver outstanding results, putting 117 criminals behind bars that saved our members £64 million in fraud losses.

We continued to advocate for and support the National Payments Vision. Payments infrastructure requires continuous improvement, and this vision provides an opportunity to reset and develop innovative approaches.

On innovation; cross-sector collaboration has been the foundation of success for our Regulated Liability Network (RLN) Experimentation Phase. This work is a key step towards a network that can support 'multi-asset' settlement, thanks to the adoption of the distributed ledger technology (DLT). The government is also progressing with work to launch a digital gilt, which is an area we think the UK can take the lead on internationally.

We delivered a whole range of impactful reports, including ones that look at how we can help people better engage with financial services. Our Financial Education report highlighted that 4.1 million children and young people have become equipped with essential financial skills through innovative programmes provided by the financial services sector. Our From Control to Financial Freedom report explored how to address obstacles experienced by victim-survivors when regaining their financial independence.

The 100th banking hub was opened during the year and I was invited to the opening in Darwen to celebrate this achievement with the Chancellor. The banking industry pioneered the idea of hubs, with UK Finance supporting the first few hubs before Cash Access UK was formed. We have helped drive the legislation that enables hubs to operate, which support local communities and customers' day-to-day banking needs. It is a great example of how the industry came together with a solution to the access to cash challenge, and more hubs will be opening across the country throughout 2025.

In terms of capital, we had a major focus throughout the year on Basel 3.1. We saw nine out of the ten recommendations we made in our consultation response to the Prudential Regulation Authority on its implementation of Basel adopted. This made the estimated saving on the cost of capital of as much as £3.1 billion per year, and the changes will support lending and growth in the economy, most notably around the overall capital impact and the approach to SME and infrastructure lending. The announcement of a new set of rules for smaller banks that simplifies the approach to capital for these firms will help support competition in the UK banking sector.

We are progressing on green issues and several of the policy measures in our Mobilising Capital for the Net Zero Transition paper were reflected in the King's Speech. We continue to engage with the government on other key priorities, such as transition finance and green finance regulation. In 2024, our advocacy helped convince the government to continue funding for home retrofit, as seen in the Budget.

Finally, I was delighted to once again receive a very positive score in our annual member survey. The results show that we maintained a 97 per cent member satisfaction rate.

2025 will present new challenges and opportunities. We will continue to support our members through clear advocacy, robust data, and industry expertise that champion our sector and demonstrate how it builds a better society.

I would like to thank UK Finance colleagues, members and stakeholders who made our successes possible in 2024, our best year yet.

David Postings
CEO, UK Finance

02 Officers and professional advisors

Directors

The directors who served during the period under review and up until the date of signing the financial statements.

2024 Board Directors	Firm and role	Appointment changes
Robert (Bob) Wigley (Chair)	UK Finance, Chair	
David Postings (Executive Director)	UK Finance, Chief Executive	
Christopher Beatty (Senior Independent Director - SID)	Morgan Stanley International, MD / COO EMEA	Appointed SID 17/10/2024
Simon Bladon	PayPal UK, CEO	Appointed 02/05/2024
Robert (Robin) Bulloch	TSB Bank, CEO	
Francesca Carlesi	Revolut UK, CEO	Appointed 17/10/2024
Miles Celic	TheCityUK, CEO	
Deborah (Debbie) Crosbie	Nationwide Building Society, CEO	Retired 01/05/2025
Thierry d'Argent	Société Générale London Branch, CEO	Appointed 08/02/2024
Victoria (Vicky) Davies	Danske Bank UK, CEO	
Kelly Devine	Mastercard, Division President UK & Ireland	Retired 01/02/2024
David Duffy (SID until 30/06/2024)	Virgin Money UK, CEO	Retired 30/06/2024
Joanna Elson	Independent Age, CEO	
Richard Fearon	Leeds Building Society, CEO	
Lucy Marie Hagues	Capital One, CEO	Retired 01/07/2024
Sean (Matt) Hammerstein	Barclays Bank UK, Head of Retail Production & Segments	Retired 01/07/2024
John Hourican	NewDay, CEO	Retired 01/07/2024
Hani Kablawi	BNY, Head of International	Appointed 05/12/2024
Mandy Lamb	Visa Europe, Managing Director UK & Ireland	Retired 05/12/2024
Wayne Lawson Turnbull	UBS, UK COO	
Tiina Lee	Citi UK, CEO	
Hannah Lewis	American Express, UK Country Manager	Appointed 17/10/2024
Saif Malik	Standard Chartered Bank UK, CEO	Appointed 08/02/2024
Ian McLaughlin	Vanquis Banking Group, CEO	Appointed 01/07/2024
Michael (Mickey) Schiller	Leumi UK, CEO	Appointed 08/02/2024
Jasjyot (Jas) Singh	Lloyds Banking Group, CEO Consumer Lending	
Ian Stuart	HSBC UK Bank, CEO	
Anil Sai (TS) Tummalapalli	Monzo Bank, CEO	Retired 01/02/2024
Anne Marie Verstraeten	BNP Paribas, UK Vice Chair	Retired 13/02/2024
Vathany Vijayaratna	Deutsche Bank UK and Ireland, CEO	Appointed 17/10/2024

Appointments since year end:

Board Directors	Firm and role	Appointment changes
Mike Regnier	Santander UK, CEO	Appointment 06/02/2025

UK Finance Limited is a company limited by guarantee incorporated in England in Wales.

Registered number

10250295

Registered office

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London

EC2R 7HJ

External auditor

RSM UK Audit LLP

25 Farringdon Street

London

EC4A 4AB

03 Strategic report

The directors present their strategic report for the year ended 31 December 2024.

The directors of UK Finance are responsible for promoting the long-term success of the company and, in so doing, have regard to the interests of various stakeholders.

Below is a summary of how these stakeholders and matters have been considered during 2024.

Directors' Duties

The directors of UK Finance Limited (the 'Company', or 'UK Finance'), and those of all UK companies, must act in accordance with a set of general duties detailed in the UK Companies Act 2006. Section 172 of the Act sets out the duty to promote the success of the company, which is summarised as follows:

A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

a. The likely consequences of any decision in the long term;

b. the interests of the company's employees;

c. the need to foster the company's business relationships with suppliers, customers and others;

d. the impact of the company's operations on the community and the environment;

e. the desirability of the company maintaining a reputation for high standards of business conduct; and

f. the need to act fairly as between members of the company.'

As part of their induction, a director is briefed on their duties and they can access professional advice on these, either from the Corporate Governance Team or, if they judge it necessary, from an independent adviser. It is important to recognise the directors fulfil their duties partly through a governance framework that delegates day-to-day decision-making to employees of the company and details of this can be found in our Corporate governance section on pages 28-31.

The following paragraphs summarise how the directors fulfil their duties:

Risk management

UK Finance actively manages risk on a daily basis and consideration of risk is part of the process in all long-term decision making.

Details of our approach to risk management can be found on page 32.

Employees

Our people are our most valuable asset. Supporting and developing our colleagues to empower them to deliver excellent services to our members is a key objective. Below are some examples of how we monitor and enhance our employee experience.

Colleague Engagement

During 2024 we undertook our annual colleague engagement survey with Best Companies and we are proud to have been rated by Best Companies as 'One to Watch". During 2024 we were also delighted to achieve positions on the 'Best Business Services Company to Work in the UK' and 'Best Large Companies to Work in London' league tables.

Our values are integral to the way we work. They inform everything that we do and are core to our operations. Our three core values are:

- Integrity – we act transparently and ethically for the good of our members as well as their customers and wider society. We seek to enhance trust in the banking and finance industry.
- Excellence – we lead from the front as a beacon of quality, inspiration and best practice.
- Leadership – we are proactive and innovative in helping to shape tomorrow's banking and finance landscape.

In order to support and complement the findings from our colleague survey, and to ensure that we are on the right path to maintaining a sustainable and positive culture, we commissioned Grant Thornton to undertake an independent 'stocktake' of our organisational culture. The report provided three recommendations which were implemented during the course of 2024:

- To link and build on existing elements to construct a more formal culture strategy to embed the desired culture, which included an update to our annual performance review process to ensure a greater focus on conduct and behaviours.
- To develop the internal communications strategy to facilitate and reinforce communications that support the desired culture.
- To deliver psychological safety training to ensure people managers are equipped to support their teams and ensure colleagues know how and feel able to 'speak up'.

Support for Disabled Colleagues

We are committed to providing equal opportunities for all colleagues, including those with disabilities. We ensure that recruitment, training, and career development are conducted without discrimination and reasonable adjustments are provided as appropriate. Where colleagues become disabled, we make reasonable adjustments to their roles or working environment to enable them to continue contributing effectively.

Women in Finance

UK Finance is committed to the HM Treasury Women in Finance Charter (the 'Charter'). The Charter is a commitment by HM Treasury and signatory firms to work together to build a more balanced and fairer financial services industry.

In signing up to the Charter in November 2017, following discussion within our Board, we set ourselves the target of achieving 40 per cent female representation within senior management over three years. We are delighted that we have now met this initial target and we are now looking ahead and focusing on achieving gender parity by December 2026. To date we have made excellent progress towards this target (44 per cent of senior roles are currently occupied by female colleagues) which is supported by current gender equality across our organisation within middle management and more junior posts.

Gender and Ethnicity Pay Gap

We voluntarily participate in Gender Pay Gap and Ethnicity Pay Gap reporting and publish our results on our website. During 2024 we continued to focus on practical measures that will support the work we are doing to reduce our gender and ethnicity pay gaps.

Progress Together

We are a supporter of Progress Together, a not-for-profit membership organisation working to improve socio-economic diversity at a senior level across financial services.

Social Mobility Pledge

As a signatory of the social mobility pledge we are committed to supporting and driving social mobility through our outreach, access and recruitment activities. This year we are delighted to once again be working with Career Ready, a national social mobility charity which works with employers, schools, and volunteers to support young people across the UK, to offer a number of paid work experience opportunities to disadvantaged young people between the ages of 16 and 18. We also proudly support 'Trailblazers', a new multi-company mentoring programme, that aims to remove socio-economic barriers through democratising access to mentoring. The programme aims to empower more junior colleagues from diverse backgrounds to transition into middle management roles and help to improve the diversity of talent pipelines across our sector.

Living Wage

As a London Living Wage employer, UK Finance is proud to be a supporter of the Living Wage Foundation, the independent movement of organisations, businesses and people campaigning for a real living wage based on the cost of living, not just the government-determined minimum wage.

Business relationships

Our strategy is to work with business partners to champion a thriving banking and finance industry. Our operational activity enhances members' own services in situations where collective industry action adds value. Developing and maintaining strong relationships with our members, customers and suppliers is essential to this. We value our suppliers and aim to have multi-year contracts with our key suppliers.

Prompt Payment Code

UK Finance is proud to be signed up to the Prompt Payment Code (the "Code") and has had 30-day standard payment terms since its inception. The Code sets standards for payment practices and best practice and is administered by the Chartered Institute of Credit Management on behalf of the Department for Energy Security and Net Zero.

The Prompt Payment Code ceased to operate on 3 December 2024 and has been replaced by the Fair Payment Code. The Fair Payment Code is administered by the Office of the Small Business Commissioner on behalf of the Department for Business and Trade. UK Finance intends to sign up to the Fair Payment Code and is in the process of compiling the required information.

Supplier Charter

UK Finance aspires to meet the highest standards of business conduct and expects the same of its suppliers. Our Supplier Charter sets out how UK Finance will work with suppliers and supply chain partners to deliver excellence in sustainability.

Members

UK Finance members reflect the dynamic landscape of the financial services industry. Our membership encompasses a diverse collective of providers and facilitators of finance, spanning across retail, commercial and wholesale banks, global and niche payments service providers, specialist non-bank lenders and financial technology and market infrastructure firms. Ranging from well-established to new entrants to the industry. Our members' customers are individuals, corporates, charities, clubs, associations and government bodies, served domestically and cross-border. These customers access a wide range of financial and advisory products and services, essential to their day-to-day activities. We work for and, on behalf of, our members to promote a safe, transparent, and innovative banking and finance industry. We offer research, policy expertise, thought leadership, peer communities and advocacy in support of our work. We provide a single voice for a diverse and competitive industry.

Associate members

Associate members of UK Finance are firms that support the financial services industry – including in the legal, consulting and technology sectors. Although not members of the company, the support of our associate members is vital to our members' and our objectives. Working together, UK Finance and our associate members aim to ensure that the UK retains its position as a safe and transparent global leader in financial services, placing the interests of customers at the heart of our work.

Community and environment

UK Finance is committed to supporting the wider community and protecting our environment. UK Finance provides a volunteering programme to colleagues which demonstrates our commitment to our communities, our people and our members, and is integral to our role as a responsible business. Our volunteering policy enables colleagues to take up to three days paid leave each year to support good causes.

During 2024 our colleagues have supported a wide variety of community projects with practical and skills-based volunteering which have included taking on trustee roles with registered UK charities, undertaking various fundraising roles, supporting policing teams as an Active Citizen, helping out at food banks and homeless hostels, and undertaking parent governor roles at schools.

In 2024, UK Finance's charity partner was Alzheimer's Research UK, which was supported through fundraising initiatives by colleagues. We also partner with Whizz Kidz, the National Autism Society, 10,000 Black Interns, Able Interns and Career Ready to provide work experience and intern opportunities for young people supported by these organisations.

We continue to ensure that we use our resources appropriately to deliver both environmental and financial benefits and, where possible, reduce our impact on the environment. We work closely with our suppliers to make sure that they support our commitment to sensible environmental practices and good corporate responsibility.

Sustainability

Streamlined energy and carbon reporting

Our energy use and greenhouse gas emissions data for the financial year 2024 has been independently produced by a third-party consultant with expertise in this area, based on information provided by UK Finance. Greenhouse gas (GHG) emissions were calculated in line with GHG Reporting Protocol – Corporate Reporting Standard and reported in line with the UK government's guidance on Streamlined Energy and Carbon Reporting (SECR).

We adopted an operational control approach to set the boundary for carbon calculation for FY24. Based on the operational control approach, the emissions from the office that we operate in are accounted for within Scope 1 and Scope 2 categories. Emissions from the office that relates to the joint operation, the Dedicated Card and Payment Crime Unit (DCPCU), are accounted for in Scope 3 as we do not have 100 per cent control of the operation. In line with the GHG Protocol – Corporate Reporting Standard, we disclose the following scope 1, 2 and 3 emissions:

- **Scope 1**: covers natural gas related emissions from our office in Angel Court, we do not have a company fleet and the emissions from refrigerants are not material, therefore they are excluded in Scope 1.

- **Scope 2**: covers emissions associated with our electricity consumption in Angel Court, expressed through both a location-based approach and a market-based approach. The market-based approach reflects that 100 per cent renewable electricity has been sourced in our office; and
- **Scope 3**: includes both the mandatory element of SECR, grey fleet related business travel, and voluntary elements of other Scope 3 categories that span across the value chain. These include:
  - Purchased goods and services
  - Capital goods
  - Employee commuting and homeworking
  - Business-related travel
  - Fuel and energy-related activities
  - Water
  - Waste
  - Energy-related emissions from the offices at Thomas More Square to reflect the joint operations at DCPCU

We have included fuel and energy-related activities, water, waste, and energy-related emissions from the DCPCU under 'Other' due to their relatively minor contribution to the overall Scope 3 emissions profile.

We use the most robust and accurate data source available for each component of our energy use and carbon emission calculations for SECR. Assumptions and estimations are only used when strictly necessary by means of the most robust data and assumptions available.

Emission factors published by the UK Department for Energy Security and Net Zero for 2024 were used for energy and emissions calculations based on primary activity data. Conversion factors 2021 published by UK Department for Environment, Food and Rural Affairs and the University of Leeds were used for calculations based on spend values for Scope 3 categories. To ensure accuracy and consistency, these conversion factors were adjusted for inflation using the Bank of England inflation calculator.

Energy use and greenhouse gas emissions

Table 1 shows energy consumed along with greenhouse gas emissions for both mandatory elements of SECR and voluntary Scope 3 emissions, for FY24, FY23 and FY22.

Mandatory elements of SECR includes energy used under Scope 1, Scope 2 and grey fleet-related Scope 3. Other elements of Scope 3 emissions are not required by SECR, therefore the energy figure, in kWh, does not apply to them.

Table 1: Energy and emissions for current and comparative reporting years

Category	Energy Use kWh FY24	Tonnes CO2e FY24	Energy Use kWh FY23	Tonnes CO2e FY23	Energy Use kWh FY22	Tonnes CO2e FY22
Scope 1 and 2 emissions						
Natural gas	153,035	28.0	198,812	36.4	180,108	32.9
Electricity (location-based)	169,759	35.1	189,276	39.2	240,589	46.5
Electricity (market-based)	169,759	-	189,276	-	240,589	12.3
Total scope 1 and 2 energy and emissions (location-based)	**322,794**	**63.1**	**388,088**	**75.6**	**420,697**	**79.4**
Total scope 1 and 2 energy and emissions (market-based)	**322,794**	**28.0**	**388,088**	**36.4**	**420,697**	**45.2**
Scope 3 emissions						
Grey fleet-related business mileage	14,719	3.4	21,044	5.0	-	40.3
Other business travel (non-SECR)	-	171.5	-	261.6	-	146.7
Purchased goods and services (including water)	-	2,641.7	-	3,194.5	-	2,767.0
Employee commuting and homeworking	-	130.9	-	126.4	-	175.6
Capital goods	-	99.0	-	41.7	-	151.0
Other	-	24.9	-	27.9	-	9.7
Total location-based carbon emissions	**337,513**	**3,134.5**	**409,132**	**3,732.7**	**420,697**	**3,369.7**
Total market-based carbon emissions	**337,513**	**3,099.4**	**409,132**	**3,693.5**	**420,697**	**3,335.5**

Trends in energy and emissions

Compared with FY23, total emissions have decreased by 16 per cent in both the location-based and market-based emissions calculations. This is primarily due to reductions in Scope 1 and Scope 2 activities, as well as reductions in Scope 3 business-related travel in the grey fleet and purchased goods and services.

Scope 1 emissions declined by 23 per cent and Scope 2 emissions declined by 10 per cent. This is driven by a reduction in the total consumption during the financial year. The reduction in Scope 1 and Scope 2 emissions can be attributed to a series of targeted energy efficiency measures implemented in the previous financial year. These initiatives include the deployment of intelligent software to optimise lighting efficiency through sensor-based automation, reducing unnecessary consumption. Moreover, operational hours for air conditioning units were reduced to lower overall energy demand. The reduction in our operational energy use has also contributed to a reduction in Scope 3 emissions from fuel-related and energy-related activities.

Reductions in FY24 Scope 1 and Scope 2 energy consumption have been realised from energy efficiency actions introduced at the end of FY23.

Scope 3 emissions have declined by 16 per cent. This is primarily driven by reductions in other business-related travel (-34 per cent) and purchased goods and services (-17 per cent). The reduction in other business-related travel can be attributed to both a decline in hotel stays as well as decreased business-related travel as we have updated our travel and expenses policy to reduce the number of journeys in favour of virtual collaboration tools where practicable. Compared with last year, there have been 120 fewer hotel stays, reflecting our ambition to be a more sustainable business. Moreover, the decrease in purchased goods and services is attributable to a reduction in procurement activity and overall expenditure during the year.

Emissions related to capital goods have increased by 137 per cent. However, the increase in emissions from capital goods is driven by a higher level of capital expenditure during the year.

Emissions intensity

Table 2 below presents emission intensity ratios for both the location-based and market-based carbon footprint. Reflecting the reduction in carbon emissions, the energy and intensity ratio has declined compared to last year. The intensity ratios have been based on the average FTE of 242.4 in the year. Separate intensity ratios are shown for UK energy-related emissions and overall emissions.

Table 2: Emission intensity ratios for current and comparative years

Item	FY24	FY23	FY22
Intensity metric (mandatory SECR requirements)			
(Location-based) carbon emissions from Scope 1, Scope 2 and Scope 3 (Grey Fleet) (tCO2e)	66.6	80.6	79.4
(Location-based) Carbon emissions intensity ratio (tCO2e per FTE)	**0.3**	**0.3**	**0.4**
(Market-based) carbon emissions from Scope 1, Scope 2 and Scope 3 (Grey Fleet) (tCO2e)	31.4	41.4	45.2
(Market-based) Carbon emissions intensity ratio (tCO2e per FTE)	**0.1**	**0.2**	**0.2**
Intensity metric (including voluntary reporting)			
(Location-based) Total greenhouse gas emissions (tCO2e)	3,135	3,733	3,370
(Location-based) Carbon emissions intensity ratio (tCO2e per FTE)	**12.9**	**15.7**	**15.5**
(Market-based) Total greenhouse gas emissions (tCO2e)	3,099	3,694	3,336
(Market-based) Carbon emissions intensity ratio (tCO2e per FTE)	**12.8**	**15.6**	**15.3**

Energy efficiency actions

We continue to look for processes to improve our energy efficiency, adopt sustainable practices and transition to a low carbon business. We are actively engaging with our landlord to identify potential enhancements. This collaboration aims to explore feasible upgrades that can reduce energy consumption and improve overall sustainability performance. As part of this ongoing initiative, discussions and assessments will be performed over the next reporting year, with any implemented improvements disclosed in future reports. This approach reflects our dedication to driving energy efficiency and reducing our environmental impact.

Review of the business - key achievements of 2024

Developing a high growth economy

- Supporting the government's approach to rebalancing risk and consumer protection.
- Holding regulators to account on the secondary competitiveness and growth objective.
- Securing proportionate prudential policy on Basel 3.1.

Supporting consumers and businesses

- Launching a key report on tackling economic abuse.
- Working to maintain the rollout of shared banking hubs.
- Supporting access to finance for businesses and SMEs.

Transitioning to net zero

- Successfully advocating for the implementation of green finance initiatives.
- Securing the adoption of international sustainability standards for financial reporting.
- Hosting a programme of events at COP29.

Enabling digital innovation

- Influencing the delivery of the National Payments Vision.
- Hosting a successful Regulated Liability Network Hackathon.
- Making advancements on a digital gilt.

Keeping the financial system safe

- Getting the industry ready for the new authorised push payment fraud reimbursement rules.
- Continuing to call for tech and telco sectors to do more on fighting fraud.
- Saving/disrupting over £64 million of fraud through our Dedicated Card and Payment Crime Unit (DCPCU).

The financial services industry plays a vital role in enabling individuals, families and communities to achieve their ambitions.

Whether it's through innovating for the future, driving economic growth, helping struggling customers amid increases in the cost of living, fighting economic crime or working to finance the net zero transition – the industry is having a positive effect on the lives of people across the UK and improving the society we live in.

In 2024 we focused our activity on five priority workstreams:

1. delivering a high growth economy
2. supporting consumers and businesses
3. transitioning to net zero
4. enabling digital innovation
5. keeping the financial system safe

Across these a key aspect of work during the year centred around the general election and we published a Financial Services Manifesto in the election period which set out our key asks from the sector for the new government.

Delivering a high growth economy

The financial services sector is a key driver of economic growth and in 2024 we undertook a significant amount of activity to support growth and competitiveness.

Engagement with Labour

At the start of the year, UK Finance sponsored the event launching the Labour Party's 'Financing Growth' report and developed significant credibility with the Labour Party ahead of the general election. The report laid out Labour's vision for financial services when it was in opposition. The joint foreword from the Chancellor Rachel Reeves and the then Economic Secretary to the Treasury and City Minister Tulip Siddiq stated the Party would

> "unashamedly champion our financial services sector as one of the UK's greatest assets".

Mansion House and the approach to risk-taking

In October, UK Finance submitted ideas to the Chancellor ahead of her first Mansion House speech. We called for the need for an adjustment in the way that risk is viewed to help the government achieve economic growth and greater financial inclusion.
In her speech, the Chancellor said that reforms following the global financial crisis had resulted in a system which sought to eliminate risk-taking and had gone too far in places.

Among the measures announced in Mansion House and in line with our advocacy, we were pleased to see pro-growth remit letters being issued to the regulators, a review of the Financial Ombudsman Service, a new National Payments Vision and plans to deliver a digital gilt.

Also in October, David Postings gave evidence to the House of Lords Financial Services Regulation Committee's enquiry into the regulators' secondary growth and competitiveness objective, where he made the case that there is more to do for the regulators to meaningfully advance the new objective.

In November, we responded to the government's consultation on its Industrial Strategy Green Paper, where we made sure to highlight financial services as an enabler of growth and outlined how this can be maximised to support the wider economy.

In December, we made a submission to HM Treasury's consultation on its Financial Services Growth and Competitiveness Strategy, where we raised member views on how the government can better support growth and competitiveness in the financial services sector.

Capital requirements

In 2024, we advocated for proportionate prudential policy which supports stability but allows firms to remain competitive. Following our advocacy, the Prudential Regulation Authority (PRA) adopted nine out of UK Finance's top ten recommendations when it came to Basel 3.1. The PRA has further developed its simple domestic deposit takers regime for the smallest firms and has committed to developing its nascent intermediate regime for mid-tier businesses, acknowledging our shared concern to level the playing field.

Taxation

Ahead of the Autumn Budget we published the '2024 Total Tax Contribution of the UK banking sector' report. The analysis in the report estimates the total tax contribution of the UK banking sector to be £44.8 billion for the financial year to the end of March 2024, up from £41 billion the previous year. We are continuing to advocate that the government should phase out the bank corporation tax surcharge and bank levy over time to bring the UK's total tax rate into line with other competitor jurisdictions.

Supporting consumers and businesses

The financial services sector delivers real benefits to UK consumers and businesses by helping people buy their first home, supporting small businesses to begin trading, enabling payments to be made swiftly and securely, and helping companies scale up and trade internationally.

Supporting housing

UK Finance continued its work on supporting homeowners, landlords and renters.

In September, we published our 'Homes We Need' report which assesses the current state of our housing market and proposes actions to be taken by the government to address the UK's 4.3 million housing shortfall. We called for a digital private rented sector database as part of a Renter's Rights Bill, which the government included in the Bill.

We also continued our Reach Out mortgage support campaign which highlights the help available from mortgage lenders and encourages those worried about their repayments to reach out for support.

Access to cash

Cash usage has fallen in recent years as consumers have chosen to make greater use of other payment methods, such as contactless and mobile payments. Cash remains important for many people and our data shows it is the second most commonly used payment method after debit cards.

In 2024, we have continued to be at the centre of discussions around access to cash, supporting the significant ongoing investment that is being made to deliver this commitment, including through industry solutions such as shared banking hubs, free ATMs and cashback without purchase.

Towards the end of the year the 100th shared banking hub was opened in Darwen, attended by Chief Executive David Postings alongside the Chancellor and the Economic Secretary to the Treasury.

Helping victim-survivors of financial abuse

In May, we published our 'From Control to Financial Freedom' report which explores some of the obstacles experienced by vulnerable customers, who are victim-survivors of abuse, when regaining their financial independence. We launched the report at an event which involved speeches from Nicole Jacobs, the Domestic Abuse Commissioner and Nicola Sharp-Jeffs, Founder of the charity Surviving Economic Abuse. This report has been widely commended, including at Prime Minister's questions.

Support for businesses

Supporting businesses continues to be a priority for the financial services industry.

We advocated strongly for the continuation of the Recovery Loan Scheme, which helps SMEs access funding. We were delighted to see that the scheme will be continued for a further two years until the end of March 2026 and renamed the Growth Guarantee Scheme.

We called on the government to implement the recommendations of the Prompt Payment and Cash Flow Review, including taking action against poor payment practices. The government announced a New Fair Payment Code and rules on company reporting alongside a consultation on new and more stringent laws as part of a package to tackle late and poor payments practices.

There was a significant amount of focus on personal guarantees in the year, and in October we worked with members to publish a strong set of industry commitments, which reaffirms existing best practice and set out where new steps are being taken in the use of personal guarantees.

We also welcomed the reviews and reforms being undertaken to the Bank Referral Scheme and Commercial Credit Data Sharing Scheme.

Transitioning to net zero

In the new government's King's Speech and Autumn Budget, we saw a range of measures responding to UK Finance's policy asks. Many recommendations from our 2023 Mobilising Capital for the Net Zero Transition policy paper have also been addressed.

Transition Finance

We advocated for more public support and a better policy framework for green infrastructure, and the Great British Energy Bill established the new publicly owned energy company and supports the transition to improving energy efficiency.

We responded to the Transition Finance Market Review, and we welcomed the report's recommendations for delivering finance for global decarbonisation and UK growth.

We called on the government to provide updates on its plans for a National Wealth Fund (NWF) and clarify how public finance institutions will support the transition. We hosted a roundtable for HM Treasury on the NWF and continue to engage with the government on its proposals for the Fund.

We responded to a government consultation on a UK Green Taxonomy, highlighting a diversity of views among our membership, and that the government should focus first and foremost on real economy policy incentives and existing sustainable finance policy measures.

We advocated for a commitment to existing timelines for endorsing and implementing International Sustainability Standards Board (ISSB) standards, which was implemented by the government.

COP29

We hosted a full programme of engagement at COP29. The team co-hosted a roundtable with the Rocky Mountain Institute and members, as well as using the event to engage with key stakeholders on green finance.

Enabling digital innovation

The financial services sector is becoming increasingly digitised with innovative products and services providing more choice for consumers, with new players and technologies making significant inroads into the payments ecosystem. It is important that the UK develops its regulatory framework so that it can further enable digital innovation in financial services.

National Payments Vision

We have had a very successful year advocating for changes to our approach to payments regulation and the delivery of infrastructure in the UK.

Following extensive advocacy by UK Finance, HM Treasury published a new National Payments Vision (NPV) at Mansion House. The Vision accepted industry views and addressed key concerns around the regulatory framework.

In relation to payments architecture, we think there is a now an opportunity for industry to rethink the delivery model and approach to renewing our retail infrastructure in the UK.

New digital assets and money

We hosted a successful Regulated Liability Network (RLN) Hackathon. The two-day event brought together leading financial institutions, FinTechs and innovators to explore the transformative potential of the RLN, a new financial market infrastructure that leverages tokenisation, programmability, and interoperability for regulated digital money. The event was a demonstration of the innovation that the RLN can unlock for the UK's financial system.

As part of the digitisation of the industry, we said that HM Treasury, via the Debt Management Office, should issue a digital gilt within the Financial Market Infrastructure Sandbox. We said HM Treasury and regulators should also publicly encourage experimentation with tokenised securities and further participation in the Sandbox. Following this, the Chancellor announced a pilot to deliver a digital gilt instrument, which will be launched using distributed ledger technology.

Open Banking

UK Finance has supported the development of open banking right from the beginning. One key area is around Variable Recurring Payments (VRPs) which have the potential to provide more choice and competition and give customers more control over their payments.

In April, our VRPs report was published, which looks at the use of model clauses to support the development of VRPs for commercial applications.

Keeping the financial system safe

The financial services industry is at the forefront of efforts to tackle fraud and other forms of economic crime.

Fraud and APP reimbursement

Criminals steal over a billion pounds a year through payment fraud. This has a huge psychological impact on individuals, damages our economy and threatens our national security. UK Finance led the industry response to the new APP reimbursement rules that the Payment Systems Regulator (PSR) brought into force on 7 October.

We supported the PSR's announcement ahead of the rules coming into force that reduced the maximum reimbursement cap from £415,000 to £85,000 and aligned it with the Financial Services Compensation Scheme (FSCS) limit.

We undertook extensive work with our members and regulators to ensure the industry was ready for the new rules coming into effect, including through the successful delivery of the Best Practice Standards (BPS) platform to support sector reimbursement and reporting.

Delayed payments for suspected fraud

The new government continued with plans to give banks new powers to delay and investigate payments that are suspected of being fraudulent, helping to protect consumers against scammers. We worked with HM Treasury on the proposals, and warmly welcomed the move, which we said would help limit the psychological harms that fraud causes and stop money getting into the hands of criminals.

Getting tech and telcos to go further on fraud

We continued our advocacy on calling for the tech and telecommunications sectors to go further and faster to tackle fraudulent content on their platforms. The PSR published data on fraud enablement, highlighting the platforms and services that are most often exploited by fraudsters, which was a welcome response to our advocacy on holding technology providers to account.

It was also welcome to see the Chancellor, Home Secretary, and Secretary of State, Department for Science, Innovation and Technology having written to tech and telco sectors calling for 'further and faster' action to cut fraud taking place on their platforms and networks.

We are also ensuring we work collaboratively on solutions that can stop fraud and we joined forces with GSMA, the mobile network trade body, to run a pilot of Scam Signal, a scalable and standardised solution to prevent APP fraud, using real-time mobile network data

Intelligence alerts

In 2024, the Intelligence Unit disseminated 514 intelligence Alerts to members. This signifies a 20 per cent increase in alerts to members in comparison to 2023. It also disseminated 2.48 million victim card numbers to our members, a 16 per cent increase from last year. This demonstrates brilliant and vital stakeholder engagement to tackle fraudsters.

Dedicated Card and Payment Crime Unit

The Dedicated Card and Payment Crime Unit (DCPCU) arrested 117 criminals in 2024, convicted 75 defendants, and the courts imposed a total of 127 years of imprisonment on the defendants in its cases. The unit secured £64m in estimated savings and disruptions to industry. The unit delivered 44 education and awareness presentations to industry and 70 education and awareness presentations to the public, with 10,946 persons attending overall.

Results and performance

Taking an evidence-based approach is at the heart of UK Finance and the critical measure of progress is the feedback we receive from our members about how well we are meeting their needs and requirements.

Our latest annual member survey was conducted in September 2024. We listen closely to our members, and this year's survey provided a wealth of feedback on issues such as overall member satisfaction, the standard of our external engagement, and how we communicate with our members.

We received 359 responses representing 177 different member organisations, with responses from 22 per cent of our members' CEOs. This wide-ranging response reflects the high level of engagement between us and our members and the time and attention that we devote to building and maintaining those relationships. Importantly, members have also given us an equivalent or higher rating against our key performance indicators (KPIs) than in the previous year.

Key messages from this year's survey include:

- 99 per cent of members positively rate our performance at building and maintaining effective relationships with regulators and policymakers. 98 per cent of members provided positive feedback about our performance in advancing the interests of our members and stakeholders, demonstrating our effectiveness in working on behalf of our members.
- We prioritise building strong working relationships with our members, and this is reflected in overwhelmingly positive feedback about our management of membership (98 per cent positive feedback) and the strength and depth of our relationships with members (95 per cent positive feedback).
- We are rated as an effective organisation by 98 per cent of our members, and 98 per cent stated that we have a positive influence on relevant policy and regulatory issues.
- Our expertise and understanding of the issues facing our members is without question, with 99 per cent positive feedback. Further, 97 per cent of members feel that we are moving in a positive direction.
- Members value the events and training provided by us, with 97 per cent saying that our events and conferences are interesting and relevant, and 96 per cent saying that our education and training courses are interesting and relevant.
- Members are satisfied with our stakeholder engagement on their behalf, with 97 per cent positive feedback regarding this KPI.

UK Finance listens to its members and acts on the feedback provided. We have improved member communications, refined our approach to prioritisation of resources, and are ensuring cost-effective delivery of results to the benefit of our members.

UK Finance measures its financial performance using the key performance measures of net income, net surplus, balance sheet strength and longer-term financial resilience as measured by the net asset position.

In line with our plan, we reported a profit in 2024. As a result, our balance sheet deficit was eliminated and our net assets were £328k at 31 December 2024, as we continue our trajectory towards building financial resilience in line with our longer-term financial plan.

99%

99 per cent of members positively rate our performance at building and maintaining effective relationships with regulators and policymakers.

98%

We are rated as an effective organisation by 98 per cent of our members.

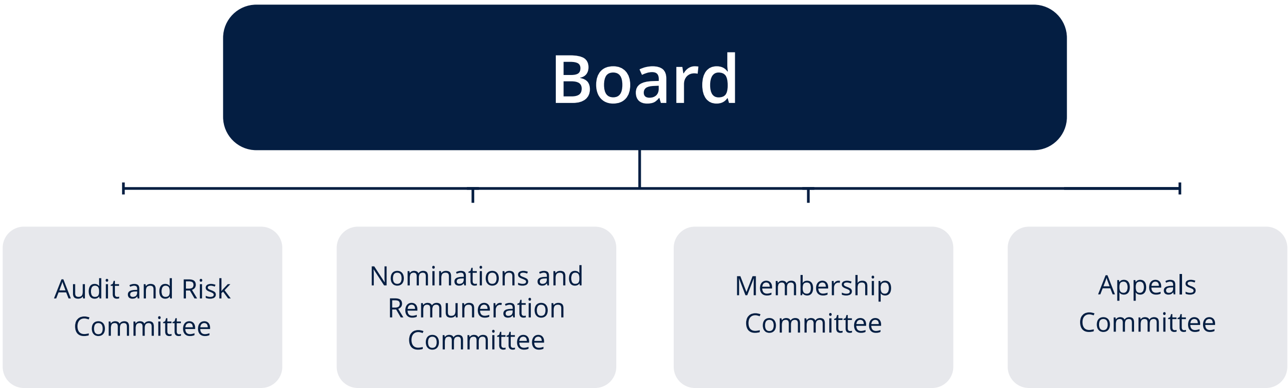
98%

98 per cent rated that we have a positive influence on relevant policy and regulatory issues.

97%

97 per cent of members feel that we are moving in a positive direction.

Corporate governance



Our corporate governance has been developed to ensure effective management of the organisation; that its objectives are delivered within budget and meet the performance expectations of our members. The Board and the committees of the Board structure are as shown above.

Board

The UK Finance Board leads on key strategic, industry-wide issues that impact the financial services sector including ethics, financial inclusion, financial fraud and economic crime, access to markets and diversity.

The composition of UK Finance's Board has been developed to ensure fair and diverse representation across our membership and ensures the consumer voice is represented via the inclusion of a strong, independent consumer champion.

The Board is the ultimate decision-making body of UK Finance, responsible for setting its strategy, culture, objectives, and budget. It has responsibility to ensure that all members have their interests fairly and properly represented.

Committees of the Board:

Audit and Risk Committee

The Audit and Risk Committee (ARC) has been established by the Board to oversee aspects relating to the internal control, financial and risk management of the Company.

Committee membership

- Anne Marie Verstraeten (Committee Chair, retired 13/02/2024)
- Richard Fearon (Committee Chair, appointed as Chair 13/02/2024)
- Bob Wigley
- Miles Celic
- John Hourican (retired 01/07/2024)
- Jas Singh (appointed 13/02/2024)
- Vathany Vijayaratna (appointed 17/10/2024)

Nominations and Remuneration Committee

The Committee leads and advises the Board on matters relating to Board governance, the company's approach to remuneration and the appointment and remuneration of senior staff. It leads and advises the Board on the appointment of the Chair, CEO and Non-Executive Directors of UK Finance and the overall process for appointments. It sets the remuneration policy for the Chair, CEO and all senior management ((Managing Directors (MDs) and Directors of UK Finance)). It also reviews and advises on the Board's governance, composition and mechanisms to review the effectiveness of the Board in order to promote high standards of governance in line with established best practice where relevant.

Committee membership

- David Duffy (Committee Chair, retired 30/06/2024)
- Tiina Lee (Committee Chair, appointed as Chair 17/10/2024)
- Wayne Lawson Turnbull (appointed 18/09/2024)
- Bob Wigley

Membership Committee

The Membership Committee has been established, in line with our Articles of Association, to provide oversight of membership applications as supported by the Membership Officer. The Committee approves and oversees the processes for expelling members, where this might be necessary.

Committee Membership

- Bob Wigley (Committee Chair)
- Kelly Devine (retired, 01/02/2024)
- Thierry d'Argent (appointed 08/02/2024)
- David Postings

Appeals Committee

The Appeals Committee has been established, in line with our Articles of Association, to manage any appeals against a decision made by the Membership Committee to reject an application for membership or to expel existing members. Since inception, there has not been a need for this Committee to meet.

Committee Membership

- David Duffy (Committee Chair, retired 30/6/2024)
- Chris Beatty (Committee Chair, appointed 17/10/2024)
- Vicky Davies
- Matt Hammerstein (retired 01/07/2024)

Executive Committee

The Executive Committee (ExCo) is the senior internal decision-making body and is led by the CEO. It is responsible for leading and overseeing the implementation of the vision, values, strategy and activities of UK Finance, including delivery of business plans and financial targets in line with the Board's strategic direction.

ExCo manages the operations, performance, risk mitigation, resource allocation and financial position (including revenue generation) of the organisation within a strategic framework set by the Board, reporting to the Board as appropriate.

Members of the Executive Committee

- David Postings, CEO (Chair)
- Sarah Boon, MD, Corporate Affairs & Strategic Policy (on leave from 01/10/2024)
- Lee Crouch, Acting MD, Corporate Affairs & Strategic Policy (from 01/10/2024)
- Julie Carruthers, MD, Membership & Strategic Partnerships
- Ben Donaldson, MD, Economic Crime
- Alastair Gilmartin Smith, MD, Chief Operating Officer
- Conor Lawlor, MD, Capital Markets and Wholesale
- Eric Leenders, MD, Personal Finance
- Jana Mackintosh, MD, Payments, Innovation and Resilience
- David Raw, MD, Commercial Finance

Four Committees report to the Executive Committee:

- Policy Committee provides challenge, guidance and approval of strategic policy initiatives to ensure that they best support members' desired outcomes and are prioritised and risk assessed appropriately.
- Operational Committee provides oversight of operational initiatives and programmes across the business including monitoring compliance, operational performance, risk management and assurance, and also supports the development of efficient and effective business activities.
- Business Continuity Committee maintains and tests the emergency response and business continuity plans for UK Finance and is responsible for enacting the plans to manage any events or incidents that impact UK Finance.
- Project and Project Risk Committee oversees the project portfolio at UK Finance and monitors the operational and organisational risks of project related activity undertaken or coordinated by UK Finance either internally or on behalf of members.

Risk management

Risk management framework

UK Finance actively manages risk, engaging with the Board and its Committees. The Board has overall responsibility for monitoring the effectiveness of UK Finance's internal control and receives regular reports from the Audit and Risk Committee. The Board considers the strategic risk register, following its review by the Executive Committee and the Audit and Risk Committee. The Board is also responsible for setting the organisation's risk appetite, which is formally reviewed at least once a year.

The Audit and Risk Committee advises the Board on the adequacy of UK Finance's risk management policies and procedures, the extent to which they are applied, and the reliability and integrity of assurances. Assurances are provided by the work of external and internal audit, regular reviews by the Head of Risk and Assurance, annual assurance statements from Executive Committee members, and regular reports provided to the Audit and Risk Committee on significant risks. The Executive Committee regularly review, challenge and assess the risks face by UK Finance in achieving its objectives.

To ensure that our risk management framework is effective and aligned to the requirements of the organisation, a review of our risk management framework is undertaken periodically by management and as part of the internal audit plan. The recommendations that emerge from the reviews form part of an ongoing programme to improve our risk management framework.

UK Finance adopts the three lines of defence model: the first line of defence is the operational procedures and controls within the business, second line oversight is provided by the Risk and Assurance team, and the third line of defence is the independent assurance and audits completed by Internal Audit. UK Finance's risk management policies and procedures clearly define its approach to risk management, as well as identifying specific risk management roles, accountabilities and responsibilities across the organisation and the three lines of defence.

UK Finance's strategic risk register is reviewed quarterly by the Executive Committee and the Audit and Risk Committee, and regularly by the Board. During the past year, the strategic risk register has continued to evolve, to enable the Executive Committee to focus on the key risks that might undermine the delivery of the organisation's objectives, and their mitigating actions.

Departmental level and project risks are reviewed by the Managing Directors, their senior management teams and the Head of Risk and Assurance at least bi-annually and escalated to the strategic risk register where appropriate.

Senior managers are responsible for ensuring that colleagues have the appropriate skill levels to identify, assess and manage risk in line with UK Finance's policy to embed and support a culture of well-managed risk. In support of senior managers' role in championing the risk process, the Head of Risk and Assurance works across all areas of the organisation to promote and integrate the risk management process and to support and inform colleagues.

Principal risks and uncertainties

The table below details the principal risks and uncertainties that UK Finance is currently facing. UK Finance actively manages mitigating actions to control these and other risks.

Type	Principal risk description
Financial viability	We are unable to continue to achieve our operating objectives and fulfil our obligations to members and other stakeholders from a financial perspective over the long-term.
Loss of key members	An individual key member or group of smaller members leave, fully or from specific streams.
Security (including information security, cyber security, physical security)	We lose the trust of a key stakeholder and we suffer losses because we fail to protect our premises, colleagues or visitors; we fail to protect our corporate, members or stakeholders' data.
Operational resilience breakdown	We lose trust of our members or other stakeholders because we have prominent operational failures caused by internal or critical third-party system failure, financial failure of critical third-parties, or of member-facing platforms or systems/ services that are visible to other stakeholders.
Loss of confidence and trust of a key public sector stakeholder	Key public sector stakeholders stop engaging with us because they either do not see us as fulfilling our purpose or have lost confidence in us as an organisation.
Loss of our ability to represent the full range of industry segments	A significant segment of members leave, fully or from specific streams, to join a rival trade association or to form a new one, or we fail to attract a new industry segment, either because they feel that we do not adequately represent their views, because our offering is not comprehensive enough, or because we lose relevance in our areas of expertise or our industry utilities are no longer required.
Competition law breach	We are fined, Directors may be disqualified, members are unwilling to collaborate in meetings, we lose access to and ability to influence His Majesty's Government and regulators, and we forfeit public trust.
Conflicts of interest and unfair advantage	We lose stakeholder trust or are accused of favouring the interest of one member/ stakeholder over another, with the consequence that the member/ stakeholder is seen as unfairly advantaged.

As the majority of income is paid in advance as annual membership fees by members, the Company is not materially exposed to credit, liquidity or cash flow risks and the Company, therefore, does not use financial instruments to manage financial risk.

04 Directors' report

The Directors present their report on the affairs of UK Finance Limited together with the financial statements and auditor's report, for the year ending on 31 December 2024.

Statement of Directors' responsibilities

The directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulations.

Details of the directors can be found in the officers and professional advisers' section on page 8.

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

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 and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK 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 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' duties

Information regarding directors' duties can be found in the Strategic report section on page 12.

Directors' indemnities

The Company has qualifying third-party indemnity provisions for the benefit of its directors which were in force during the period and remain in force at the date of this report.

Directors' confirmations

Each of the persons who is a director at the date of approval of this report confirms that:

- So far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware.
- The director has taken all the steps that he/ she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Principal activity

UK Finance Limited is a company limited by guarantee. Our primary purpose is to make representations to the government in respect of its members interests. In doing so, we work for and on behalf of our members to promote a safe, transparent and innovative banking and finance industry.

Political donations and political expenditure

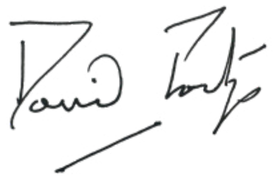
UK Finance made no political donations and incurred no political expenditure in the year ending 31 December 2024 or for the year ending 31 December 2023.

Going concern

As at the balance sheet date UK Finance has net assets of £0.3m (2023: accumulated losses of £1.5m), the improvement due to the reported surplus in 2024. In late 2024 the Board reviewed and approved a fully evaluated budget for 2025. It has also reviewed longer-term high-level projections which demonstrate that the underlying activities of UK Finance should be profitable over the course of the plan and generate ongoing surpluses to repay the liabilities and, over time, achieve a financially resilient net asset position. The projections include an appropriate level of conservatism/prudence.

After considering the above, the directors are satisfied that the Company has sufficient liquidity to meet obligations as they fall due for at least one year from the date the financial statements are approved, and that UK Finance will continue to operate as a going concern.

Approved by the Board and signed on its behalf on 8 May 2025 by:



David Postings
Director and Chief Executive Officer

05

Independent auditor's report to the members of UK Finance Limited

Opinion

We have audited the financial statements of UK Finance Limited (the 'company') for the year ended 31 December 2024 which comprise the Profit and Loss Account, Balance Sheet, Cash flow Statement, Statement of Changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (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 December 2024 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 Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those 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 the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 36, the directors responsible for the preparation of the 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 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 have 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 from 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 of 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS102, the Companies Act 2006 and tax compliance regulations.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to General Data Protection Regulations. We performed audit procedures to inquire of management and those charged with governance whether the company is in compliance with these laws and regulations and inspected correspondence with licensing or regulatory authorities where relevant.

The audit engagement team identified the risk of management override of controls and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgements and performing testing on revenue to support the valuation and period in which revenue is recognised.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: 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 Chapter 3 of Part 16 of the Companies Act 2006. 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.

RSM UK Audit LLP

Nicholas Sladden (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor Chartered Accountants

25 Farringdon Street London

EC4A 4AB 08 May 2025

06

Financial Statements

Profit and loss account

For the year ended 31 December 2024

	Note	31-Dec-24	31-Dec-23
		£	£
Revenue	3	55,467,233	59,225,817
Cost of sales		(2,254,342)	(4,380,821)
Gross profit		53,212,891	54,844,996
Administrative expenses	4	(23,927,971)	(25,901,767)
Staff costs	5	(28,363,449)	(27,030,893)
Operating profit		921,471	1,912,336
Interest receivable and similar income	7	959,568	698,555
Interest payable and similar expenses	8	(49,758)	(49,500)
Profit before taxation	9	1,831,281	2,561,391
Taxation	10	-	58,000
Profit for the year		**1,831,281**	**2,619,391**

Other comprehensive income

There were no items of other comprehensive income in the period (2023: Nil).

Balance sheet

As at 31 December 2024

	Note	31-Dec-24	31-Dec-23
		£	£
Fixed assets			
Intangible assets	11	2,990,741	3,472,440
Tangible assets	12	2,549,446	2,440,312
		5,540,187	5,912,752
Current assets			
Debtors due within one year	13	28,428,237	33,091,351
Cash at bank		12,361,134	6,716,091
		40,789,371	39,807,442
Total assets		46,329,558	45,720,194
Liabilities			
Creditors: amounts due within one year	14	(43,252,311)	(44,233,699)
Total assets less current liabilities		3,077,247	1,486,495
Creditors: amounts due after more than one year	15	(1,810,507)	(2,051,036)
Provisions for liabilities	16	(938,300)	(938,300)
Net assets/(liabilities)		**328,440**	**(1,502,841)**
Capital and reserves			
Accumulated fund	17	**328,440**	**(1,502,841)**

The financial statements of UK Finance Limited, registered number 10250295, were approved by the board of directors and authorised for issue on 8 May 2025. They were signed on its behalf by:

David Postings
Director and Chief Executive Officer

Cash flow statement

For the year ended 31 December 2024

	31-Dec-24	31-Dec-23
	£	£
Cash flows from operating activities		
Profit on ordinary activities before taxation	1,831,281	2,561,391
Depreciation and amortisation	1,437,554	1,487,009
Impairment of assets	275,917	490,459
Interest paid	47,129	47,000
Interest received	(959,568)	(698,555)
Decrease in trade and other receivables	4,663,114	990,307
Decrease increase in trade and other payables	(1,221,917)	(4,407,106)
Net cash inflow from operating activities	6,073,510	470,505
Cash flows from investing activities		
Purchase of property, plant and equipment	(496,034)	(109,726)
Purchase of intangible assets	(844,872)	(456,440)
Net cash outflow from investing activities	(1,340,906)	(566,166)
Cash flows from financing activities		
Interest paid	(47,129)	(47,000)
Interest received	959,568	698,555
Net cash inflow from financing activities	912,439	651,555
Increase in cash and cash equivalents	**5,645,043**	**555,894**
Cash and cash equivalents at beginning of the year	6,716,091	6,160,197
Increase in cash and cash equivalents	5,645,043	555,894
Cash and cash equivalents at end of the year	**12,361,134**	**6,716,091**

Statement of changes in equity

For the year ended 31 December 2024

	31-Dec-24	31-Dec-23
	£	£
At start of year	(1,502,841)	(4,122,232)
Profit for the year	1,831,281	2,619,391
	328,440	(1,502,841)
At end of year	**328,440**	**(1,502,841)**

Notes to the financial statements

For the year ended 31 December 2024

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the period.

a. General information and basis of accounting

UK Finance Limited is a private Company limited by guarantee incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is shown on page 9.

This accounting period runs from 1 January 2024 to 31 December 2024, with comparatives for the year ended 31 December 2023.

The principal activity of the Company and the nature of the Company's operations are set out in the Directors' report on page 37 and the Strategic report on pages 10 to 33, respectively.

The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland, and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008, and under the historical cost convention.

The functional currency of UK Finance is pounds sterling because that is the currency of the primary economic environment in which the Company operates. The amounts are presented to the nearest £1.

b. Going concern

The financial statements have been prepared using the going concern basis of accounting. As at the balance sheet date UK Finance has an accumulated surplus of £0.3m (2023: accumulated loss of £1.5m), this improvement being driven by the surplus in the year.

- UK Finance was created in response to the proposed consolidation set out by The Financial Services Trade Associations Review (FSTAR), which was set up by a steering committee of major UK banks and a building society. UK Finance also has the support of its other members who comprise a broad network of over 300 financial institutions.
- UK Finance has a revolving credit facility with Barclays Bank PLC in the amount of £5.0m, which was undrawn as at 31 December 2024.
- The Board has reviewed and approved a fully evaluated budget for 2025. The Board also reviewed and approved the projections which indicate that during 2026-29, the period covered by the longer-term plan, UK Finance is both profitable and cash generative.

After considering the above, the directors are satisfied that the Company has sufficient liquidity to meet obligations as they fall due for at least one year from the date the financial statements are approved, and that UK Finance will continue to operate as a going concern.

c. Intangible fixed assets

Commercial business activities

The commercial business activities acquired from the legacy trade associations are capitalised and stated at cost less accumulated amortisation, over a period of ten years, and less impairment losses.

Brands and trademarks

Separately acquired brand and trademarks are included at cost and amortised in equal annual instalments over a period of five years which is their useful economic life. Provision is made for impairment.

Websites

Acquired websites are included at cost and amortised in equal annual instalments over a period of five years which is their useful economic life. Provision is made for impairment.

Fraud intelligence systems

Separately acquired fraud intelligence systems are included at cost and amortised in equal annual instalments over a period of five years which is their useful economic life. Provision is made for impairment.

Amortisation

Amortisation is charged to the profit and loss on a straight-line basis over the lives of the intangible assets. Intangible assets are amortised from the date they are available for use. The estimated useful lives as follows:

• Acquisition of commercial business activities	10 years
• Brands and trademarks	5 years
• Websites	5 years
• Acquisition of fraud intelligence systems	5 years

d. Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than investment properties and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

• Leasehold land and buildings	life of lease
• Fixtures and fittings	5 years
• Software systems	5 years
• Computer equipment	3 years

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

e. Financial instruments

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

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions of being 'basic' financial instruments as defined in paragraph 11.9 of FRS 102 are subsequently measured at amortised cost using the effective interest method.

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting conditions of being 'basic' financial instruments are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

f. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet. For the purpose of the Cash Flow Statement, cash and cash equivalents are as defined above, net of outstanding bank overdrafts.

g. Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss previously recognised for assets other than goodwill, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of the cash-generating unit (CGU), the reversal is applied first to the assets of the CGU, except for goodwill, on a pro-rata basis. Impairment of goodwill is never reversed.

Financial assets

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

h. Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

A provision is recognised for those matters for which the tax determination is uncertain, but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable.

The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

When the amount that can be deducted for tax for an asset (other than goodwill) that is recognised in a business combination is more (less) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to non-depreciable property measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Research and development expenditure is charged to the income statement in the period in which it is incurred. Development expenditure is capitalised when the criteria for recognising an asset are met. Any claim for tax credits are recognised after the submission of the claim to the relevant authorities.

i. Revenue

Revenue is stated net of VAT and trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the buyer. Revenue from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable.

Where a contract has only been partially completed at the balance sheet date revenue represents the fair value of the service provided to date based on the stage of completion of the contract activity at the balance sheet date. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

j. Pro bono activities

Services received from associate members on a pro bono basis are recognised within commercial income at the fair value of the services provided as determined by the third parties, with an equivalent amount recognised within cost of sales.

k. Employee benefits

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other retirement benefits is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Other long-term employee benefits are measured at the present value of the benefit obligation at the reporting date.

l. Leases

Assets held under finance leases, hire purchase contracts and other similar arrangements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

m. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the Directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make 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.

In preparing the financial statements the Directors have made the following judgements:

- Determining whether there are indicators of impairments of the Company's intangible fixed assets. Factors taken into consideration in reaching a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability, and expected future performance of that unit.
- Determining whether there are indicators of issues with the recoverability of the Company's trade debtors. Factors taken into consideration in reaching a decision include the economic viability and expected future financial performance of the customer and valuation of assets.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, are those that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The judgements and key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial are discussed below.

Impairment of intangible assets

The company determines the recoverable amount of its intangible assets by reference to their value-in-use, assessed using discounted cash flow models. There is judgement in determining the assumptions that are considered to be reasonable, in particular the timing of cash flows and the discount rate to be applied.

3. Revenue

An analysis of revenue by class of business is as follows:

	31-Dec-24 £	31-Dec-23 £
Subscriptions invoiced to members	43,793,445	41,098,866
Commercial income	4,742,972	4,978,738
Pro bono services	1,202,266	3,155,910
Other income	5,728,550	9,992,303
	55,467,233	**59,225,817**

Pro bono services relate to activities received from associate members. Cost of sales has been grossed up by an equivalent amount.

Other income principally represents charges to members for activities that fall outside of the core membership offerings.

4. Administrative expenses

An analysis of revenue by class of business is as follows:

	31-Dec-24 £	31-Dec-23 £
Professional & consultancy	6,222,388	8,662,294
Occupancy	2,908,035	2,857,302
Data management & research cost	4,945,851	4,816,594
General & admin expenses	4,716,589	4,594,255
Information technology	2,816,861	2,645,572
Member & external relations cost	1,357,664	1,348,239
Publications & subscriptions to other trading bodies	564,233	558,395
Travel & expenses	396,350	419,116
	23,927,971	**25,901,767**

5. Staff costs and numbers

Staff costs, including directors' remuneration, were as follows:

	31-Dec-24 £	31-Dec-23 £
Salaries and benefits	23,217,919	22,083,451
Social security costs	2,758,181	2,668,226
Pension costs	2,387,349	2,279,216
	28,363,449	**27,030,893**

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

	31-Dec-24	31-Dec-23
Administrative staff	254	248

6. Directors' remuneration

	31-Dec-24 £	31-Dec-23 £
Remuneration (including benefits in kind)	1,590,524	1,544,308

The remuneration of the highest paid director was £1,203,524 (2023: £1,157,308).

7. Interest receivable and similar income

	31-Dec-24	31-Dec-23
	£	£
Interest receivable	959,568	698,555

8. Interest payable and similar expenses

	31-Dec-24	31-Dec-23
	£	£
Interest payable	49,758	49,500

9. Profit before taxation

Profit before taxation is stated after charging/(crediting):

	31-Dec-24	31-Dec-23
	£	£
Operating lease rentals in respect of land and buildings	1,551,445	1,578,497
Depreciation of tangible assets	386,900	336,770
Amortisation of intangible assets	1,050,654	1,150,239
Impairment losses on intangible assets	275,917	-
Losses on disposal of fixed assets	-	490,459
Bad and doubtful debt	(34,029)	154
Foreign exchange loss	879	4,372
Research and development expenditure	1,307,904	903,982
Auditor's remuneration:		
- Statutory audit fees	51,750	49,850
- Tax compliance services	9,600	9,950
- Tax advisory services	39,500	41,750

10. Taxation

The tax credit comprises:

	31-Dec-24	31-Dec-23
	£	£
Current tax on profits for the year	-	-
Adjustments in respect of prior periods	-	-
Total current tax	-	-
Deferred tax credit	-	(58,000)
Total deferred tax	-	(58,000)
Total tax credit	**-**	**(58,000)**

The differences between the total tax credit shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

Profit before tax	1,831,281	2,561,391
Tax on profit at standard UK corporation tax rate of 25% (2023: 23.52%)	457,820	602,453
Effects of:		
Expenses not deductible for tax purposes	33,587	40,262
Depreciation in excess of capital allowances	17,399	66,373
Short term timing differences	(64,946)	(11,035)
Utilisation of tax losses not previously recognised	(443,860)	(698,053)
Deferred tax movement	-	(58,000)
Total tax credit for year	-	(58,000)

11. Intangible fixed assets

	Commercial business activities £	Secure information systems £	Other IT Platforms £	Total £
Cost:				
At 31 December 2023	8,307,800	842,594	1,131,510	10,281,904
Additions	-	702,982	141,890	844,872
At 31 December 2024	8,307,800	1,545,576	1,273,400	11,126,776
Amortisation				
At 31 December 2023	5,947,517	335,731	526,216	6,809,464
Charge for the year	674,368	134,520	241,766	1,050,654
Impairment losses	275,917	-	-	275,917
At 31 December 2024	6,897,802	470,251	767,982	8,136,035
Carrying amount				
At 31 December 2023	2,360,283	506,863	605,294	3,472,440
At 31 December 2024	**1,409,998**	**1,075,325**	**505,418**	**2,990,741**

Commercial business activities comprise the associate membership, events, training and other commercial revenue streams from the old trade associations. Secure information systems include fraud intelligence systems and other secure information sharing platforms. Other IT Platforms include all remaining IT assets. Development costs have been capitalised in accordance with the requirements of FRS 102 and are therefore not treated as a realised loss.

Intangible assets are assessed annually and impaired where their determined recoverable amount is less than their book value.

Within commercial business activities, the cash flows of certain revenue streams are separately identifiable and have been tested for impairment as individual Cash Generating Units (CGUs). The value in use methodology has been used to estimate the recoverable amount, as fair value less cost to sell cannot be readily determined. Valuation models are based on the current budget and the longer-term financial plan. Management has determined an appropriate discount rate for each CGU via an analysis of the relevant Weighted Average Cost of Capital (WACC) and this discount rate is used in calculating the present value of cash flows over the estimate life of the asset. Following this assessment, an impairment of £276k was recorded to write down the Training, Events and Publications CGUs to a zero carrying amount.

12. Tangible fixed assets

	Leasehold improvements £	Fixtures & Fittings £	IT equipment & software £	Total £
Cost				
At 31 December 2023	2,860,913	2,269,015	1,347,544	6,477,472
Additions	395,207	93,350	7,477	496,034
At 31 December 2024	3,256,120	2,362,365	1,355,021	6,973,506
Depreciation				
At 31 December 2023	1,255,949	1,470,136	1,311,075	4,037,160
Charge for the year	194,386	183,989	8,525	386,900
At 31 December 2024	1,450,335	1,654,125	1,319,600	4,424,060
Carrying amount				
At 31 December 2023	1,604,964	798,879	36,469	2,440,312
At 31 December 2024	**1,805,785**	**708,240**	**35,421**	**2,549,446**

Fixtures & Fittings include £938,300 relating to the dilapidations assessment and included as part of the cost of that asset in accordance with FRS 102.17.10. The corresponding liability is included within provisions for liabilities (Note 16).

13. Debtors

Amounts falling due within one year:	31-Dec-24 £	31-Dec-23 £
Trade debtors	26,073,057	28,954,657
Prepayments and accrued income	1,848,650	2,690,857
Deferred tax asset	358,000	358,000
Other debtors	148,530	1,087,837
	28,428,237	**33,091,351**

Deferred tax asset relates to tax losses carried forward to offset future profits.

14. Creditors: amounts due within one year

	31-Dec-24	31-Dec-23
	£	£
Trade creditors	1,151,136	2,212,265
Other taxation and social security	1,136,552	707,639
Accruals	6,684,825	6,673,339
Deferred income	33,674,602	32,429,732
Other creditors	605,196	2,210,724
	43,252,311	**44,233,699**

Deferred income principally relates to annual memberships invoiced in advance.

15. Creditors: amounts due after more than one year

	31-Dec-24	31-Dec-23
	£	£
Other long term creditors	1,810,507	2,051,036

Other long-term creditors comprise deferred rent on 1 Angel Court and 2 Thomas Moore Square.

16. Provisions for liabilities

	Dilapidations	Total
	£	£
At 31 December 2023	938,300	938,300
Provided in the year	-	-
At 31 December 2024	**938,300**	**938,300**
At 31 December 2022	938,300	938,300
Provided in the year	-	-
At 31 December 2023	**938,300**	**938,300**

As part of the Company's property leasing arrangements there is an obligation to return property to an agreed condition at the end of the lease. The estimated cost of returning the property to the agreed condition is shown above. In accordance with FRS 102.17.10, where a provision is recognised that relates to a specific asset, it is treated as a decommissioning cost and also included as part of the cost of that asset.

17. Accumulated fund

As the Company is limited by guarantee, the accumulated fund represents cumulative profits and total recognised gains or losses made by the Company.

18. Operating lease commitments

At the reporting end date, the Company had outstanding commitments for the future minimum lease payments under non-cancellable operating leases as follows:

	Land and buildings	Land and buildings
	31-Dec-24	31-Dec-23
Operating leases which expire:	£	£
Within one year	1,477,350	1,477,350
Within two to five years	6,789,246	5,909,400
After five years	3,590,641	4,908,354
	11,857,237	**12,295,104**

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