

Our entire bank community has been affected in some way by the coronavirus or by the authorities' handling of it. The virus did not spare Tigger Hoare, a partner of the bank for nearly 50 years, who sadly died at the end of March.

The balance sheet (attached) reflects 11 good months and the month in which we went into lockdown. In the course of the year, the footings passed the £5bn milestone. Capital and liquidity ratios remain strong and we continue to hold over £1bn in the Bank of England. We expect this year to be challenging for everyone and have made prudent provision for bad debts arising from the lockdown.

It is pleasing to report that, operationally, we are fully open for business and we are doing more banking than ever. 98% of staff are working from home (or somewhere), and they should be commended for their versatility as we pivoted away from 348 years of working practice in the space of a fortnight! No one has been furloughed – catering staff are helping with homeless shelters and others are volunteering in the NHS.

Our IT team should be complimented; only a couple of years ago, this degree of home working would not have been possible. Customers can now generate security codes and add new beneficiaries in the mobile app. Some customers will have signed loan documentation digitally, we will soon be able to stop paper statements, and we expect to deliver weekend payments by the end of the year. There will be greater emphasis on digital interaction in future.

The Master Charitable Trust has channelled £90m to charities, with £130m left in 86 sub-funds. The Golden Bottle Trust allocated 100% to social-impact investment last year and the portfolio has proven relatively resilient in recent months. The Golden Bottle has increased the quantity and velocity of its giving. Strategic responses to the coronavirus include grants to Chelsea and Westminster Hospital, the Kensington + Chelsea Foundation, and The Fore's RAFT fund.

Steven Cooper has been named CEO of the Year by *CEO Today* magazine – a well-deserved accolade. Dame Susan Rice has left us to assume chairmanship of the Banking Standards Board. We wish her well and welcome Diana Brightmore-Armour to the board.

We are ever mindful that customers place a great deal of trust and reliance in us, and we are gratified that most customers accept the need to contribute towards the costs of providing our services by way of monthly bank charges. It is always a pleasure to welcome like-minded individuals to the bank, so please do refer to us prospective customers who may benefit from our services.

Mervyn King, former governor of the Bank of England, and John Kay have recently published *Radical Uncertainty: Decision-making for an unknowable future*. This timely publication reminds us that “The only function of economic forecasting is to make astrology look respectable” (John Kenneth Galbraith). Our customer Lord Byron was probably not far wrong with “The best prophet of the future is the past”.

Alexander Hoare
June 2020

C. HOARE & CO. AND ITS SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEET
31 MARCH 2020

	2020 £000
ASSETS	
Cash and balances at central banks	1,161,138
Items in course of collection from banks	12
Derivative financial instruments	31
Financial assets ¹	3,956,424
Property and equipment	82,849
Heritage assets	9,473
Deferred tax asset	1,016
Other assets	3,591
Prepayments and accrued income	9,121
Post retirement benefit asset	8,482
	5,232,137
LIABILITIES	
Deposits by banks	466
Customer accounts	4,761,856
Derivative financial instruments	37,128
Deferred tax liability	8,629
Other liabilities	845
Accruals and deferred income	24,946
Provision for other liabilities	4,546
Called up share capital	120
Reserves	393,601
	5,232,137
MEMORANDUM ITEMS	
- Contingent liabilities (guarantees)	27,013
- Commitments	357,861

Approved at the Annual General Meeting on 28 May 2020.

Note:

The Auditor's Report by PricewaterhouseCoopers LLP on the statutory financial statements was unqualified.

¹ Financial Assets comprise; Loans and advances to banks: £384,872k, Loans and advances to customers: £1,805,994k and Debt and equity securities: £1,765,558k.