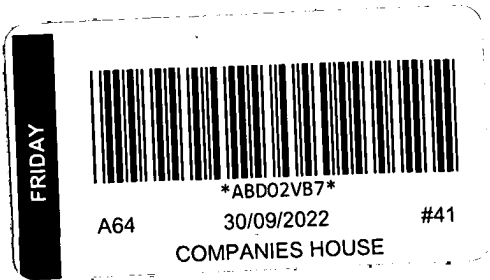


Citco (UK) Limited and Subsidiaries

Annual Report 2021

Registered Number: 07904837



Citco (UK) Limited
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Group Information

Directors

G. Hassett
J. Diver

Secretary and registered office

Citco (UK) Limited ("Company")
7 Albemarle Street,
W1S 4HQ,
London,
United Kingdom

Independent auditor

Deloitte Ireland LLP Chartered Accountants,
Statutory Audit Firm
Deloitte & Touche House,
29 Earlsfort Terrace,
D02 AY28,
Ireland

Strategic Report of Directors

The directors present their strategic report together with the audited consolidated financial statements of the Group for the year ended December 31, 2021. The audited consolidated financial statement of the Group for the year ended December 31, 2021 comprise of Citco (UK) Limited (the "Company") and its subsidiaries (together referred as the "Group").

Principal activities

The Company holds strategic investments in other Citco Group companies and provides advisory, consultancy, administrative support services and the provision of marketing services to other affiliated companies. The strategic investments include activities involved in the provision of back office fund administration services to other affiliated companies.

Results and dividends

The Group profit for the year is GBP 676,551 (2020: profit GBP 717,451) and is shown in the statement of comprehensive income. There were no other recognized gains or losses in the year (2020: Nil).

The directors paid a dividend of GBP 756,770 in 2021 (2020: Nil).

Key performance indicators

The performance of the business has been analyzed at group level, in line with group policy. The directors have monitored performance indicators and are satisfied with the Group's performance. The principal performance indicators are income and profit levels, along with financial resources, all of which are monitored on a monthly basis against annual targets.

Principal risks and certainties


The Group's activities expose it to certain risks and further detail is provided in Note 3 to the consolidated financial statements.

Future developments in the business

There are no expected changes in business activities in the future.

Approved by the board of directors and signed on its behalf by:

Glenn Hassett
Director
89 Nexus Way
Camana Bay,
Grand Cayman

DocuSigned by:

71A8725D70714AC...

September 27, 2022

Report of the Directors

The directors present their annual report together with the audited consolidated financial statements of the Group for the year ended December 31, 2021.

Going concern

The directors are satisfied with the performance of the Group. The directors have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for at least 12 months from the date of the approval of the financial statements. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

Directors

The directors of the Group, who served throughout the year and up to the date of this report, were as follows:

- (a) John Diver
- (b) Glenn Hassett

The Group has made qualifying third party indemnity provisions for the benefit of its directors which were in place throughout the year and remain in force at the date of this report.

Directors' responsibility statement

The directors are responsible for preparing the Annual Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. 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 Group and of the profit or loss of the Group for that period. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- (a) properly select and apply accounting policies;
- (b) present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- (c) provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- (d) make an assessment of the Company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group 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 Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial risk management objectives and policies

The Group's activities expose it to certain risks and further detail is provided in Note 3 Financial risk and capital management to the consolidated financial statements.

Proposed dividends

Refer to the Strategic Report of the Directors for dividends proposed and paid.

Future developments in the business

Refer to the Strategic Report of the Directors for future developments of the business.

Report of the Directors

Subsequent events

Since the invasion of Ukraine by Russia in late February 2022, volatility and uncertainty has been a feature of the global economy and financial markets.

The Company continues to monitor and operationalize sanctions lists as they become available. There is no direct exposure for the Group, nevertheless management continues to monitor the situation closely.

Disclosure of information to the Auditor

Each of the persons who is a director at the time when the report is approved confirms that:

- (a) so far as the director is aware, there is no relevant audit information of which the Group's auditor is unaware; and
- (b) the director has taken all the steps that he ought to have taken as director in order to make himself aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

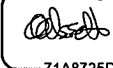
This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.


Auditor

Deloitte Ireland LLP are auditors for the Group and appropriate arrangements have been put in place for them to be appointed as auditor in the absence of an Annual General Meeting.

Approval of the Financial Statements

The financial statements were approved by the Board of Directors and authorised for issuance on September 27, 2022.

DocuSigned by:

.....71A8725D70714AC.....
Glenn Hassett
Director

DocuSigned by:

.....B6D5115AAEA647C.....
John Diver
Director

89 Nexus Way
Camana Bay,
Grand Cayman

September 27, 2022

Citco (UK) Limited
Consolidated income statement
for the year ended December 31, 2021

	Notes	2021 GBP 000	2020 GBP 000
Revenue			
Other income	4	24,284	22,480
		<u>24,284</u>	<u>22,480</u>
Operating expenses:			
Personnel expenses	5	17,032	14,932
Restructuring expenses		-	7
Occupancy expenses		1,424	1,534
Office and administration expenses		273	312
Travel expenses		2,031	1,797
Professional services	6	268	261
Depreciation	7	1,346	1,421
Other operating expenses	8	609	531
		<u>22,983</u>	<u>20,795</u>
Net profit from operations		<u>1,301</u>	<u>1,685</u>
Net finance expense	9	296	490
Share in profit in associate		(4)	(2)
Net profit before tax		<u>1,009</u>	<u>1,197</u>
Income tax expense	10	332	480
Net profit for the year		<u>677</u>	<u>717</u>
Attributable to:			
Shareholder of the Company		<u>677</u>	<u>717</u>

All results derive from continuing operations. The notes on pages 11 to 33 form an integral part of these consolidated financial statements.

Citco (UK) Limited
Consolidated statement of other comprehensive income
for the year ended December 31, 2021

	2021	2020
	GBP 000	GBP 000
Net profit for the year	677	717
Items that may be reclassified subsequently to consolidated income statement:		
Revaluation of fair value financial instruments through other comprehensive income ("FVOCI")	(1)	(320)
Total other comprehensive loss for the year, net of tax	(1)	(320)
Total comprehensive income for the year, net of tax	676	397
Attributable to:		
Shareholder of the Company	676	397

All results derive from continuing operations. The notes on pages 11 to 33 form an integral part of these consolidated financial statements.

Citco (UK) Limited
Consolidated statement of financial position
as at December 31, 2021

	Notes	2021 GBP 000	2020 GBP 000
Assets			
Non-current assets			
Property, plant and equipment	11	166	239
Right-of-use assets	12	11,077	9,901
Investment in associate		11	7
Deferred tax assets	13	371	273
		<u>11,625</u>	<u>10,420</u>
Current assets			
Other receivables and accrued income	14	1,418	1,819
Current tax assets		1,388	1,056
Receivables from affiliated companies	22	1,092	794
Cash and cash equivalents	15	5,533	4,874
		<u>9,431</u>	<u>8,543</u>
Total assets		<u>21,056</u>	<u>18,963</u>
Equity and liabilities			
Equity			
Share capital	16	8,730	8,730
Translation reserve		(526)	(525)
Retained earnings		(322)	(242)
Total equity attributable to shareholder of the Company		<u>7,882</u>	<u>7,963</u>
Non-current liabilities			
Provisions	19	280	181
Lease liabilities	18	1,814	5,646
Deferred tax liabilities	13	-	2
Other liabilities		142	77
		<u>2,236</u>	<u>5,906</u>
Current liabilities			
Trade payables		143	69
Other payables and accrued expenses	17	3,238	2,433
Payables to affiliated companies	22	8	37
Current tax liabilities		1,471	1,223
Lease liabilities	18	6,078	1,332
		<u>10,938</u>	<u>5,094</u>
Total liabilities and equity		<u>21,056</u>	<u>18,963</u>

The notes on pages 11 to 33 form an integral part of these consolidated financial statements.

Citco (UK) Limited
Consolidated statement of changes in equity
for the year ended December 31, 2021

	Issued capital	Translation reserve	Retained earnings	Total equity
	GBP 000	GBP 000	GBP 000	GBP 000
As at January 1, 2021	8,730	(525)	(242)	7,963
Net profit for the period	-	(1)	677	676
Total comprehensive income	-	(1)	677	676
Dividend paid	-	-	(757)	(757)
Total transactions with shareholder	-	-	(757)	(757)
Total equity attributable to shareholder of the Company as at December 31, 2021	8,730	(526)	(322)	7,882

On December 10, 2021, the Company has paid a dividend of GBP 757 thousand (2020: GBP 1,118 thousand).

The notes on pages 11 to 33 form an integral part of these consolidated financial statements.

Citco (UK) Limited
Consolidated statement of changes in equity
for the year ended December 31, 2020

	Issued capital	Translation reserve	Retained earnings	Total equity
	GBP 000	GBP 000	GBP 000	GBP 000
As at January 1, 2020	8,730	(205)	159	8,684
Net profit for the period	-	(320)	717	397
Total comprehensive income	-	(320)	717	397
Dividends paid	-	-	(1,118)	(1,118)
Total transactions with shareholder	-	-	(1,118)	(1,118)
Total equity attributable to shareholder of the Company as at December 31, 2020	8,730	(525)	(242)	7,963

On December 11, 2020, the Company has paid a dividend of GBP 1,118 thousand (2019: nil).
The notes on pages 11 to 33 form an integral part of these consolidated financial statements.

Citco (UK) Limited
Consolidated statement of cash flows
for the year ended December 31, 2021

	Notes	2021 GBP 000	2020 GBP 000
Cash flows from operating activities			
Net profit before tax from continuing operations		677	717
Adjustments for:			
Income tax expense	10	332	480
Depreciation	7	1,346	1,421
Net finance expense	9	296	490
Share in profit in associate		(4)	(2)
		<u>2,647</u>	<u>3,106</u>
Working capital adjustments:			
Decrease/(increase) in other receivables and accrued income		401	(28)
Increase in receivables from affiliated companies		(298)	(61)
Increase/(decrease) in trade payables		74	(13)
Increase in other payables and accrued expenses		805	339
Decrease in financial assets at amortised cost		-	161
Increase in provisions		99	89
Increase in other liabilities		65	77
Foreign exchange losses		(178)	(108)
Unrealized currency translation losses		(1)	(320)
Decrease in payables to affiliated companies		(29)	(125)
Interest paid		(39)	(142)
Income tax paid		(356)	(312)
Net cash flows generated by operating activities		<u>3,190</u>	<u>2,663</u>
Cash flows from investing activities			
Additions to property, plant and equipment	11	(114)	(86)
Net cash flows (used in) investing activities		<u>(114)</u>	<u>(86)</u>
Cash flows from financing activities			
Payment of lease liabilities		(1,660)	(1,646)
Dividend paid		(757)	(1,118)
Net cash flows used in financing activities		<u>(2,417)</u>	<u>(2,764)</u>
Net increase/(decrease) in cash and cash equivalents		<u>659</u>	<u>(187)</u>
Cash and cash equivalents at January 1,	15	4,874	5,061
Increase/(decrease) in cash and cash equivalents		<u>659</u>	<u>(187)</u>
Cash and cash equivalents at December 31,	15	<u>5,533</u>	<u>4,874</u>

The notes on pages 11 to 33 form an integral part of these consolidated financial statements.

Citco (UK) Limited
Notes to the Consolidated financial statements
for the years ended December 31, 2021 and 2020

1. General

1.1. Ownership

The Company is privately held and it was incorporated on January 10, 2012 as a Private Limited Company in the United Kingdom under Companies Act 2006 and is limited by shares.

The address of its registered office is as follows:

7 Albemarle Street,
London,
W1S 4HQ,
United Kingdom

The Company is a wholly owned subsidiary of The Citco Group Limited, (the "Parent Company") located in Grand Cayman, Cayman Islands. The Citco Group Limited is ultimately a wholly owned subsidiary of Citco III Limited, (the "Ultimate Parent Company") a Cayman Islands Company.

The largest company in which the results of the Company are consolidated is that headed by Citco III Limited, whose accounts are not publicly available. The smallest company in which they are consolidated is that headed by The Citco Group Limited whose accounts are not available to the public.

1.2. Activities

The Company holds strategic investments in other Citco Group companies and provides advisory, consultancy, administrative support services and the provision of marketing services to other affiliated companies. The strategic investments include activities involved in the provision of back office fund administration services to other affiliated companies.

1.3. Group structure

An overview of the Company and its subsidiaries at December 31, 2021 is included in Appendix I to this report.

1.4. Currency

The Company uses the Great British Pound ("GBP") as functional currency and presentation currency, since that is the currency of the primary economic environment in which the Company is operating.

1.5. Approval of the Board

These financial statements have been approved for issuance by the Board of Directors on September 27, 2022.

Citco (UK) Limited
Notes to the Consolidated financial statements
for the years ended December 31, 2021 and 2020

2. Principal accounting policies

2.1. Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and its interpretations adopted by the European Union ("EU"). The consolidated financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments. The historical cost is generally based on the fair value of the consideration given in exchange for assets. The principal accounting policies adopted are set out below. These have been applied consistently during the year.

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries at December 31, 2021. The main subsidiaries of the Group are detailed in Appendix I.

An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect returns through its power over the investee.

On acquisition, the assets and liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any interest of minority shareholders is stated at the minority's proportion of the fair values of the assets and liabilities recognized. The results of subsidiaries acquired or disposed of during the year are included in the Consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All intercompany transactions and balances between Group entities are eliminated on consolidation.

Comparative figures

In order to align with current year's presentation, certain insignificant changes have been made to the comparative figures. These reclassifications have no effect on the total equity or the net result for the year.

2.2. Going concern

The directors are satisfied with the performance of the Group. The directors have, at the time of approving the financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for at least 12 months from the date of the approval of the financial statements. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

2.3. New standards adopted by the Group

The following standards and amendments, effective from January 1, 2021, did not have any material impact on the Group's disclosures or the amounts recognized:

- Amendment to IFRS 9, IFRS 7 and IFRS 4 - Interest benchmark reform
- Amendments to IFRS 16 - Covid-19 Related rent concessions

In the current year, the Group has applied the amendment to IFRS 16 (as issued by the Board in May 2021) in advance of its effective date, there was no material change to the terms and conditions of the lease.

2.4. New standards and interpretations not yet adopted

The IASB has issued a number of minor amendments to IFRS effective January 1, 2022. These amendments are not expected to have a significant impact on the Group.

Citco (UK) Limited
Notes to the Consolidated financial statements
for the years ended December 31, 2021 and 2020

2. Principal accounting policies (continued)

2.5. Use of estimates and critical accounting judgments in the preparation of financial statements

In preparing the consolidated financial statements, management is required to make estimates and assumptions that affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgment are inherent in the formation of estimates. Although these estimates are based on management's best knowledge of current events and actions, actual results in the future could differ from such estimates and the differences may be material to the consolidated financial statements.

Management have considered the impact of COVID-19 relating to sources of uncertainty in the consolidated financial statements and have determined it does not create a significant material impact on the amounts reported at the year end.

2.6. Foreign currency translation

Transactions in currencies other than GBP are initially recorded at the rates of exchange prevailing on the date of the transactions. Monetary assets and liabilities denominated in such currencies are retranslated at the rates prevailing at the end of the reporting period. Gains and losses arising on exchange are included in the consolidated income statement for the year.

On consolidation, the assets and liabilities of the Group's non-GBP operations are translated at the exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the year. Exchange differences arising, if any, are recognized in other comprehensive income ("OCI") and transferred to the Group's translation reserve. On disposal of an entity, such cumulative translation differences are recognized as gain or loss in the year in which the disposal takes place.

2.7. Revenue recognition

Revenue comprises the value for the rendering of services in the ordinary course of the Group's activities. The Group recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and the stage of completion of the transaction at the balance sheet date can be measured reliably. The amount of revenue is not considered to be reliably measured until all significant contingencies relating to the sale have been resolved. The Group bases its estimates on historic results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Interest income is accrued on a time basis by reference to the principal outstanding and at the interest rate applicable using the effective interest rate method. Interest income is recognized as earned.

2.8. Operating expenses

Operating expenses are calculated at cost and are recognized in the period to which they relate. Depreciation charges on intangible and tangible assets are based on cost and are calculated by the straight-line method over the estimated lives of the assets concerned.

2.9. Impairment

For intangible assets with indefinite lives (i.e. goodwill), the Group reviews the carrying amount at the end of the reporting period or earlier if such indication warrants impairment testing. For tangible and intangible assets with finite lives, the Group reviews the carrying amounts at the end of each reporting period to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Citco (UK) Limited
Notes to the Consolidated financial statements
for the years ended December 31, 2021 and 2020

2. Principal accounting policies (continued)

2.9. Impairment (continued)

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate which reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized as income immediately. Subsequent reversals of impairment losses are not allowed for goodwill impairments.

2.10. Taxation

Income tax expense represents the sum of the current tax payable and deferred tax.

The current tax payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Citco (UK) Limited
Notes to the Consolidated financial statements
for the years ended December 31, 2021 and 2020

2. Principal accounting policies (continued)

2.10. Taxation (continued)

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in OCI or directly in equity, in which case, the current and deferred tax are also recognized in OCI or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.11. Property, plant and equipment

Machinery, equipment and leasehold improvements are stated at cost less accumulated depreciation and any accumulated impairment.

If an item of property and equipment is comprised of several major components with different useful lives, each component is accounted for separately.

Depreciation is charged so as to write off the cost over their estimated useful lives, using the straight-line method, on the following basis:

Plant and equipment	3 - 10 years
Leasehold improvements	Term of lease
Right-of-use assets	Term of lease

These assets are reviewed at each reporting period for indications of impairment. If an indication of impairment exists, the recoverable amount of the asset is estimated based on its fair value. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. In addition, the useful lives of these assets are also reviewed and adjusted, if appropriate, at each reporting period.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset. This is recognized in the consolidated income statement.

2.12. Lease liabilities

Identification and recognition of a lease

Based on the accounting policy applied the Group recognizes a right-of-use asset and a lease liability at the commencement date of the contract for all leases conveying the right to control the use of an identified assets for a period. The commencement date is the date on which a lessor makes an underlying asset available for use by a lessee.

IFRS 16 applies a control model to the identification of leases, distinguishing between leases and service contracts on the basis of whether the use of an identified assets is controlled by the customer.

- The right to obtain substantially all of the economic benefits from the use of an identified asset; and

Right of use assets

Initial measurement

The right-of-use assets are initially measured at cost, which comprises:

- The amount of the initial measurement of the lease liability;
- Any lease payments made at or before the commencement date, less any lease incentives;
- An estimate of costs to be incurred by the lessee in dismantling and removing the underlying assets or restoring the site on which the assets are located.

Citco (UK) Limited
Notes to the Consolidated financial statements
for the years ended December 31, 2021 and 2020

2. Principal accounting policies (continued)

2.12. Lease liabilities (continued)

Subsequent measurement

After the commencement date, the right-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any re-measurement of the lease liability. The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use assets or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of the property and equipment.

The Group remeasures the right of use asset in the following circumstances:

- Lease incentives (excluding rent free periods): the RoU asset is remeasured to reflect the amount of incentive received from the landlord, usually paid in cash or through leasehold improvements.

Lease liabilities

Initial measurement

The lease liability is initially measured at the present value of the lease payments that are not paid at that date, using the effective interest method. These include:

- Fixed payments, less any lease incentives receivable;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- Payments of penalties to be incurred for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease payments are discounted using the Group's incremental borrowing rate.

The lease term determined by the Group comprises:

- Non-cancellable period of lease contracts;
- Periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and
- Periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

Subsequent measurement

The Group remeasures the lease liability (and with a corresponding adjustment to the RoU asset) in the following circumstances:

- Index rate change to a lease payment: the revised updated lease payments are discounted at the rate applied by the Group to the original lease, at the date of the revised lease payment; and
- Lease modification where the modification is not treated as a separate lease: the revised lease payments are discounted at the rate applied by the Group to the original lease, at the date of modification.
- The right to direct the use of that asset.

Citco (UK) Limited
Notes to the Consolidated financial statements
for the years ended December 31, 2021 and 2020

2. Principal accounting policies (continued)

2.12. Lease liabilities (continued)

Recoverable amount is the higher of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate which reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Control is considered to exist if the customer has:

For tangible assets with finite lives, the Group reviews the carrying amounts at the end of each reporting period to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

2.13. Financial assets and financial liabilities

Recognition and derecognition of financial instruments

Recognition of financial assets

Financial assets are recognized in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instruments. Debt securities and certain other financial assets measured at fair value through profit or loss that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recognized using trade date accounting. Trade date is the date on which the Group commits to purchase or sell the asset.

Derecognition of financial assets

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or where the Group has transferred substantially all risks and rewards of ownership. If the Group neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset, it derecognizes the financial asset if it no longer has control over the asset. The difference between the carrying amount of a financial asset that has been extinguished and the consideration received is recognized in the consolidated income statement.

Recognition of financial liabilities

Financial liabilities are recognized on the date that the entity becomes a party to the contractual provisions of the instrument.

Derecognition of financial liabilities

Financial liabilities are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished and the consideration paid is recognized in the consolidated income statement.

2.14. Accrued income

Accrued income is stated at its nominal value. Accrued income includes fees for services provided but that are not yet invoiced.

2.15. Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term deposits. Cash and cash equivalents are measured at amortized cost using the effective interest method, less any impairment.

Citco (UK) Limited
Notes to the Consolidated financial statements
for the years ended December 31, 2021 and 2020

2. Principal accounting policies (continued)

2.16. Trade payables

In accordance with IFRS 9, trade payables are measured at amortized cost using the effective interest method. The Group has financial risk management policies in place to ensure that all payables are paid within the credit time frame.

2.17. Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. If the effect is material, the provision is determined by discounting the expected future cash flows. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognized as finance expense. 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 recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.18. Consolidated statement of cash flows

Cash and cash equivalents for the purpose of the statement of cash flows include cash on hand and net credit balances on current accounts with other banks.

The consolidated statement of cash flows, based on the indirect method of calculation, gives details of the source of cash and cash equivalents which became available during the year and the application of these cash and cash equivalents over the course of the year.

2.19. Retirement benefit costs

Payments to defined contribution retirement schemes are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Group's obligations under the schemes are equivalent to those arising in a defined contribution retirement scheme.

For defined benefit retirement schemes, where insufficient information about the plan assets held by the pension fund or on behalf of the employees of the Group, the plan is treated as a defined contribution plan.

2.20. Borrowing costs

Borrowing costs related to loans which are directly attributable to the acquisition of qualifying assets, are capitalized and subsequently amortized in line with the repayment schedule of the respective loans.

Capitalized borrowing costs related to loans which are refinanced of which the terms are not considered substantially the same are written off and costs incurred in respect of the new loan are subsequently amortized over the term of the loan.

All other borrowing costs are recognized in the consolidated income statement in the year in which they are incurred.

Citco (UK) Limited
Notes to the Consolidated financial statements
for the years ended December 31, 2021 and 2020

3. Financial risk and capital management

In its operating environment and daily activities, the Group encounters various risks and constantly strives to mitigate related risks.

The main risks identified by the Group, related to its activities, are:

- (a) Market risk, which includes three types of risk:
 - (i) Currency risk: the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates;
 - (ii) Interest rate risk: the risk that the value of a financial instrument will fluctuate because of changes in market interest rates; and
 - (iii) Other price risk: other than those arising from interest rate risk or currency risk this includes the risk that the value of a financial instrument will fluctuate because of factors related to the issuer of the financial instrument or by broad market movement.
- (b) Credit risk: the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.
- (c) Liquidity risk: the risk that obligations cannot be met due to a mismatch between the maturity profiles of assets and liabilities.

Market risk

The Group's policy is to reduce market risk to an acceptable level. Market risk embodies not only the potential for loss but also the potential for gain. There has been no change to the Group's exposure to market risks and the Board and Group Risk Officer continuously review the manner in which it manages and measures the risk.

Currency risk

Currency risk is the current or prospective risk to earnings and capital arising from adverse movements in foreign exchange rates.

The Group is exposed to foreign exchange risk in respect of funding day-to-day activities and capital expenditure. In managing this risk management utilizes forward exchange contracts for any imbalances or firm commitments for planned capital expenditure.

Citco (UK) Limited
Notes to the Consolidated financial statements
for the years ended December 31, 2021 and 2020

3. Financial risk and capital management (continued)

Currency risk (continued)

The table below summarizes the Group's exposure to currency risk translated to GBP:

	GBP	USD	INR	EUR	Total
	GBP 000	GBP 000	GBP 000	GBP 000	GBP 000
As at December 31, 2021					
Non-current assets					
Property, plant and equipment	107	-	59	-	166
Right-of-use assets	461	8,757	1,859	-	11,077
Investment in associate	-	-	11	-	11
Deferred tax assets	25	1	345	-	371
Current assets					
Other receivables and accrued income	90	604	724	-	1,418
Current tax assets	-	3	1,385	-	1,388
Receivables from affiliated companies	-	839	253	-	1,092
Cash and cash equivalents	733	4,800	-	-	5,533
Total assets	1,416	15,004	4,636	-	21,056
Non-current liabilities					
Provisions	-	-	280	-	280
Lease liabilities	251	-	1,563	-	1,814
Other liabilities	142	-	-	-	142
Current liabilities					
Trade payables	77	-	66	-	143
Other payables and accrued expenses	2,029	159	1,050	-	3,238
Payables to affiliated companies	3	5	-	-	8
Current tax liabilities	34	-	1,437	-	1,471
Lease liabilities	218	5,543	317	-	6,078
Total liabilities	2,754	5,707	4,713	-	13,174
Net balance sheet position	(1,338)	9,297	(77)	-	7,882
As at December 31, 2020					
Total assets	2,589	11,938	4,350	86	18,963
Total liabilities	1,914	6,315	2,771	-	11,000
Net balance sheet position	675	5,623	1,579	86	7,963

Citco (UK) Limited
Notes to the Consolidated financial statements
for the years ended December 31, 2021 and 2020

3. Financial risk and capital management (continued)

Currency sensitivity analysis

The Group is mainly exposed to US Dollar.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 10% change in exchange rates.

If the GBP to US Dollar had been 10% higher and all other variables were held constant, the Group's net profit for the year ended December 31, 2021 would decrease by GBP 0.7 million (2020: increase by GBP 0.8 million) and the Group's equity as at December 31, 2021 would decrease by GBP 0.7 million (2020: increase by GBP 0.6 million).

If the GBP to US Dollar had been 10% lower and all other variables were held constant, the Group's net profit for the year ended December 31, 2021 would increase by GBP 0.9 million (2020: decrease by GBP 0.8 million) and the Group's equity as at December 31, 2021 would increase by GBP 0.9 million (2020: decrease by GBP 0.6 million).

Liquidity risk table

The following table details the Group's remaining contractual maturity for its financial assets and liabilities. The table has been drawn up based on the cash flows of financial assets and liabilities based on the earliest date on which the Group can be required to receive and pay, respectively.

The table below summarizes the Group exposure to liquidity risk translated to GBP:

	Up to 1 month	3-12 months	1-5 years	Total
	GBP 000	GBP 000	GBP 000	GBP 000
As at December 31, 2021				
Current assets				
Other receivables and accrued income	1,418	-	-	1,418
Receivables from affiliated companies	1,092	-	-	1,092
Cash and cash equivalents	5,533	-	-	5,533
Total assets	8,043	-	-	8,043
Non-current liabilities				
Lease liabilities	-	-	1,814	1,814
Other liabilities	-	-	142	142
Current liabilities				
Trade payables	143	-	-	143
Other payables and accrued expenses	3,238	-	-	3,238
Payables to affiliated companies	8	-	-	8
Lease liabilities	-	6,078	-	6,078
Total liabilities	3,389	6,078	1,956	11,423

Citco (UK) Limited
Notes to the Consolidated financial statements
for the years ended December 31, 2021 and 2020

3. Financial risk and capital management (continued)

Liquidity risk table (continued)

	Up to 1 month	1-3 months	3-12 months	1-5 years	Total
	GBP 000	GBP 000	GBP 000	GBP 000	GBP 000
As at December 31, 2020					
Current assets					
Other receivables and accrued income	1,819	-	-	-	1,819
Receivables from affiliated companies	794	-	-	-	794
Cash and cash equivalents	4,874	-	-	-	4,874
Total assets	7,487	-	-	-	7,487
Non current liabilities					
Lease liabilities	-	-	-	5,646	5,646
Other liabilities	-	-	-	77	77
Current liabilities					
Trade payables	69	-	-	-	69
Payables to affiliated companies	37	-	-	-	37
Other payables and accrued expenses	2,433	-	-	-	2,433
Lease liabilities	104	234	994	-	1,332
Total liabilities	2,643	234	994	5,723	9,594

Credit risk

Credit risk is the current or prospective risk to earnings and capital arising from a debtor's failure to meet the terms of any contract with the Group or if a debtor otherwise fails to perform. Credit risk is monitored continuously by reviewing outstanding loans, temporary overdrafts and trade receivables by the account managers. New extensions of credit are subject to written credit memoranda that must be appropriate to the established criteria of the loan policy approved by the appropriate level of management. The Group mitigates credit risk by choosing only reputable banks as counterparty for liquid funds.

The Group's maximum exposure to credit risk, arising from holdings of cash and cash equivalents as at December 31, 2021, is the carrying amount of those assets as indicated in the statement of financial position. This is managed by using only banks and brokers which are of high credit quality.

Operational risk

The Group has to process many complex transactions daily. To ensure the operational risk is adequately controlled, an extensive internal control framework has been set up. Also an extensive training program for staff has been introduced in view of the growth of the Group. Operational Risk Management frameworks have been established in all divisions and an Enterprise Risk Management framework is currently being implemented across the entire Citco Group.

Citco (UK) Limited
Notes to the Consolidated financial statements
for the years ended December 31, 2021 and 2020

4. Revenue from contracts with customers

The Group derives revenue from the the following major revenue lines in the following geographically locations:

2021	Europe GBP 000	Asia GBP 000	Total GBP 000
Other income	846	-	846
Intercompany recharge	16,363	7,075	23,438
Revenue	17,209	7,075	24,284

2020	Europe GBP 000	Asia GBP 000	Total GBP 000
Other income	485	-	485
Intercompany recharge	14,601	7,394	21,995
Revenue	15,086	7,394	22,480

The Group does not expect to have any contracts where the period between the transfer of the services to the customer and payment by customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

5. Personnel expenses

	2021	2020
	GBP 000	GBP 000
Salaries and bonuses	14,272	12,828
Social charges and taxes	1,371	1,127
Pension expenses	889	747
Recruitment costs	146	116
Other personnel expenses	354	114
Personnel expenses	17,032	14,932

The average number of full-time employees for the year for Citco (UK) Limited was 373 (2020: 428).

Personnel expenses include the expenses associated with the Board of Directors. See Note 23 for Directors' remuneration.

Citco (UK) Limited
Notes to the Consolidated financial statements
for the years ended December 31, 2021 and 2020

6. Professional services

	2021	2020
	GBP 000	GBP 000
Professional fees	226	217
Audit fees	42	44
Professional services	268	261

Fees to independent auditor:

The following is a summary of the fees to our independent auditor Deloitte Ireland LLP Chartered Accountants for the years ended December 31, 2021 and 2020.

	2021	2020
	GBP 000	GBP 000
Audit fees	42	44
Audit fees	42	44

There were no non-audit services provided by the auditor to the Group in the year or in the previous year.

7. Depreciation

	Notes	2021	2020
		GBP 000	GBP 000
Depreciation machinery and equipment	11	124	215
Depreciation leasehold improvements	11	62	66
Depreciation of right-of-use assets	12	1,160	1,140
Depreciation		1,346	1,421

8. Other operating expenses

	2021	2020
	GBP 000	GBP 000
Market data expense	58	60
Insurance premium	256	230
Non recoverable VAT	42	(2)
Bank charges	5	6
Professional membership and subscriptions	208	203
Other expenses	40	34
Other operating expenses	609	531

Citco (UK) Limited
Notes to the Consolidated financial statements
for the years ended December 31, 2021 and 2020

9. Net finance expense

	<u>2021</u>	<u>2020</u>
	GBP 000	GBP 000
Interest on lease liabilities	259	347
Foreign exchange	98	228
Interest income	(61)	(85)
Net finance expense	<u>296</u>	<u>490</u>

10. Income tax

	<u>2021</u>	<u>2020</u>
	GBP 000	GBP 000
<i>Current income tax:</i>		
Current tax expense: current year	423	549
Current tax expense: prior year	10	22
	<u>433</u>	<u>571</u>

<i>Deferred tax:</i>		
Deferred tax expense: prior year	33	5
Deferred tax expense: current year	68	86
	<u>101</u>	<u>91</u>

Income tax expense reported in the consolidated statement of profit or loss	<u>332</u>	<u>480</u>
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Reconciliation of the effective tax rate:

		2021		2020
	%	GBP 000	%	GBP 000
Net profit before tax		<u>1,009</u>		<u>1,197</u>
		<u>1,009</u>		<u>1,197</u>
Income tax using the domestic corporation tax rate	19.00%	192	19.00%	228
Effect of tax rates in foreign jurisdictions	2.00%	23	12.00%	143
Non-deductible items	-%	4	1.00%	11
Effect of non capitalized losses	13.00%	136	7.00%	80
(Over)/under provided in prior years	(2.00)%	(23)	1.00%	18
Income tax expense	33.00%	332	40.00%	480

Citco (UK) Limited
Notes to the Consolidated financial statements
for the years ended December 31, 2021 and 2020

11. Property, plant and equipment

	Machinery and equipment	Leasehold improvements	Total
	GBP 000	GBP 000	GBP 000
Cost:			
As at January 1, 2021	1,957	328	2,285
Additions	114	-	114
Disposals	(327)	-	(327)
Foreign exchange differences	25	(3)	22
As at December 31, 2021	1,769	325	2,094
Accumulated depreciation:			
As at January 1, 2021	1,814	232	2,046
Depreciation charge for the year	124	62	186
Disposals	(327)	-	(327)
Foreign exchange differences	25	(2)	23
As at December 31, 2021	1,636	292	1,928
Net carrying amount			
As at December 31, 2021	133	33	166

	Machinery and equipment	Leasehold improvements	Total
	GBP 000	GBP 000	GBP 000
Cost:			
As at January 1, 2020	1,909	345	2,254
Additions	86	-	86
Disposals	(7)	-	(7)
Foreign exchange differences	(31)	(17)	(48)
As at December 31, 2020	1,957	328	2,285
Accumulated depreciation:			
As at January 1, 2020	1,629	177	1,806
Depreciation charge for the year	215	66	281
Disposals	3	-	3
Foreign exchange differences	(33)	(11)	(44)
As at December 31, 2020	1,814	232	2,046
Net carrying amount			
As at December 31, 2020	143	96	239

Citco (UK) Limited
Notes to the Consolidated financial statements
for the years ended December 31, 2021 and 2020

12. Right-of-use assets

The Group leases several assets including machinery and equipment. 15% (2020 : 65%) of the operating lease relates to office space and 85% (2020: 35%) relates to machinery and equipment. The average lease term is 2 years (2020: 2 years).

	Right-of-use assets
	GBP 000
Cost	
As at January 1, 2021	13,189
Additions	2,207
Terminations	(3)
Foreign exchange differences	128
As at December 31, 2021	<u>15,521</u>
Depreciation	
As at January 1, 2021	3,288
Depreciation	1,160
Foreign exchange differences	(4)
As at December 31, 2021	<u>4,444</u>
Net carrying amount	
As at December 31, 2021	<u>11,077</u>

	Right-of-use assets
	GBP 000
Cost	
As at January 1, 2020	13,453
Additions	205
Terminations	(18)
Foreign exchange differences	(451)
As at December 31, 2020	<u>13,189</u>
Depreciation	
As at January 1, 2020	2,291
Depreciation	1,140
Terminations	(4)
Foreign exchange differences	(139)
As at December 31, 2020	<u>3,288</u>
Net carrying amount	
As at December 31, 2020	<u>9,901</u>

Citco (UK) Limited
Notes to the Consolidated financial statements
for the years ended December 31, 2021 and 2020

13. Deferred tax

Deferred tax assets have been recognized to the extent that it is considered more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Where this is not the case, deferred tax assets have not been recognized, as set out below:

	2021	2020
	GBP 000	GBP 000
Deferred tax assets	371	273
Amounts recognized as at December 31,	371	273

The following are the major deferred tax assets and deferred tax liabilities recognized by the Group and the related movements during the year:

	Capitalised losses and deferred tax assets	Deferred tax liabilities	Total
	GBP 000	GBP 000	GBP 000
As at January 1, 2021	273	(2)	271
Increase	98	-	98
Utilization	-	2	2
As at December 31, 2021	371	-	371
As at January 1, 2020	227	(12)	215
Increase	48	-	48
Utilization	-	10	10
As at December 31, 2020	275	(2)	273

	2021	2020
	GBP 000	GBP 000
Property, plant and equipment	59	52
Provision	312	221
Net deferred tax assets	371	273

Citco (UK) Limited
Notes to the Consolidated financial statements
for the years ended December 31, 2021 and 2020

14. Other receivables and accrued income

	<u>2021</u>	<u>2020</u>
	GBP 000	GBP 000
Prepaid expenses	333	296
VAT receivable	240	464
Security deposit	417	410
Interest receivables	4	-
Government grants	354	611
Other receivables	70	38
As at December 31,	<u>1,418</u>	<u>1,819</u>

15. Cash and cash equivalents

	<u>2021</u>	<u>2020</u>
	GBP 000	GBP 000
Current account with other banks	726	408
Deposit with other banks	2,200	1,147
Bank balances with affiliated companies	2,607	3,319
As at December 31,	<u>5,533</u>	<u>4,874</u>

Bank balances earn interest at the respective short-term deposit market rates.

16. Share capital

Ordinary shares issued and fully paid

	<u>2021</u>	<u>2020</u>
	Number of shares thousands	Number of shares thousands
As at January 1,	8,730	8,730
As at December 31,	<u>8,730</u>	<u>8,730</u>

17. Other payables and accrued expenses

	<u>2021</u>	<u>2020</u>
	GBP 000	GBP 000
Accrued expenses	2,585	1,841
Taxes and social security contributions	653	592
As at December 31	<u>3,238</u>	<u>2,433</u>

Citco (UK) Limited
Notes to the Consolidated financial statements
for the years ended December 31, 2021 and 2020

18. Lease liabilities

	<u>2021</u>
	GBP 000
As at January 1,	6,979
Additions	2,207
Lease payments	(1,401)
Lease terminations	(3)
Foreign exchange difference	110
As at December 31,	<u>7,892</u>

	<u>2020</u>
	GBP 000
As at January 1,	8,351
Additions	206
Lease payments	(1,298)
Lease terminations	(15)
Foreign exchange difference	(266)
As at December 31,	<u>6,978</u>

Maturity analysis:

	<u>2021</u>	<u>2020</u>
	GBP 000	GBP 000
Within one year	6,078	1,332
In the second to the fifth year inclusive	1,814	5,646
As at December 31,	<u>7,892</u>	<u>6,978</u>

Citco (UK) Limited
Notes to the Consolidated financial statements
for the years ended December 31, 2021 and 2020

19. Provisions

	Pension
	GBP 000
As at January 1, 2021	181
Provisions made during the year	101
Foreign exchange gain	(2)
As at December 31, 2021	280
Non-current	280
As at December 31, 2021	280
	Pension
	GBP 000
As at January 1, 2020	92
Provisions made during the year	98
Foreign exchange gain	(9)
As at December 31, 2020	181
Non-current	181
As at December 31, 2020	181

The provision represents the retirement benefits payable as per Payment of Gratuity Act in India.

20. Categories of financial assets and financial liabilities

Financial assets

	2021	2020
	GBP 000	GBP 000
Cash and cash equivalents	5,534	4,874
Loans and receivables	1,936	1,854
As at December 31,	7,470	6,728

Financial liabilities

	2021	2020
	GBP 000	GBP 000
Other liabilities	10,768	9,003
As at December 31,	10,768	9,003

21. Financial assets and liabilities not carried at fair value

The fair value of assets and liabilities maturing within 12 months is assumed to approximate their carrying amount.

Citco (UK) Limited
Notes to the Consolidated financial statements
for the years ended December 31, 2021 and 2020

22. Related party transactions

In the ordinary course of business, the Group enters into a number of related party transactions, which management believes are at an arm's length basis.

The Group has intercompany current account balances with affiliated companies:

	<u>2021</u>	<u>2020</u>
	GBP 000	GBP 000
Receivables	1,092	794
Payables	(8)	(37)
Net balance receivable as at December 31,	<u>1,084</u>	<u>757</u>

The following services were provided by the Group to the Parent Company and/or affiliated companies:

	<u>2021</u>	<u>2020</u>
	GBP 000	GBP 000
Operational services	1,555	1,921
General and administrative services	4,874	5,590
Personnel	16,146	14,969
Finance income	20	-
As at December 31,	<u>22,595</u>	<u>22,480</u>

The following services were provided by the Parent Company and/or affiliated companies to the Group:

	<u>2021</u>	<u>2020</u>
	GBP 000	GBP 000
General and administrative services	1,166	1,200
Finance expense	(20)	(42)
As at December 31,	<u>1,146</u>	<u>1,158</u>

23. Directors' remuneration

Remuneration paid to the executive and non-executive directors during the year and current account balances were as follows:

	<u>2021</u>	<u>2020</u>
	GBP 000	GBP 000
Salary and fringe benefits	578	208
Pension	23	21
Directors' remuneration	<u>601</u>	<u>229</u>

The remuneration of the executive and non-executive is decided by the shareholder.

Citco (UK) Limited
Notes to the Consolidated financial statements
for the years ended December 31, 2021 and 2020

24. Subsequent events during the year

The COVID-19 pandemic had continued impact throughout 2021. By end of 2021, over nine billion COVID vaccination doses were administered worldwide, with nearly 50% of the world's population fully vaccinated. The number of cases have reduced overall but the situation is still volatile. There is no way to predict when the pandemic will end and its overall implications for the financial performance across all organisations.

However, for the Group it has not caused any material/significant increased risk exposures. The Group's operations continued to remain largely unaffected by the global COVID-19 pandemic crisis due to proficient business continuity management. All staff have been working from home successfully since March 16, 2020; though during the second half of 2021 a phased and cautious return to the office for staff on a voluntary basis began. Throughout 2021, like 2020, the Group has maintained business-as usual operations, meeting all Service Level Agreement obligations.

25. Events after the reporting date

Since the invasion of Ukraine by Russia in late February 2022, volatility and uncertainty has been a feature of the global economy and financial markets.


The Company continues to monitor and operationalize sanctions lists as they become available. There is no direct exposure for the Group, nevertheless management continues to monitor the situation closely.

Approval of the Financial Statements

The financial statements were approved by the Board of Directors and authorised for issuance on September 27, 2022.

Approved by the board of directors and signed on its behalf by:

Glenn Hassett
Director
89 Nexus Way
Camana Bay,
Grand Cayman

DocuSigned by:

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September 27, 2022

Citco (UK) Limited Company financial statements
Company income statement
for the year ended December 31, 2021

	Notes	2021	2020
		GBP 000	GBP 000
Revenue			
Other income		13,942	12,973
Dividend income		-	1,230
		13,942	14,203
 Operating expenses:			
Personnel expenses	1	10,947	9,491
Other operating expenses		2,451	2,699
		13,398	12,190
 Net profit from operations		544	2,013
 Net finance (income)/expense	2	(45)	209
Net profit before tax		589	1,804
 Income tax expense	3	93	258
Net profit after tax		496	1,546
 Attributable to:			
Shareholders of the Company		496	1,546

Where applicable, the accounting policies of the Company are the same as those of the group on pages 12 to 18. The notes identified on page 37 to 43 are an integral part of these financial statements. Where the same items appear in the Group financial statements, reference is made to the notes on pages 23 to 33.

Citco (UK) Limited Company financial statements
Statement of financial position
as at December 31, 2021

	Notes	2021 GBP 000	2020 GBP 000
Assets			
Non-current assets			
Property, plant and equipment	5	107	95
Right-of-use assets	6	461	236
Investment in subsidiaries	7	9,079	8,351
Non-current receivables from affiliated companies	12	55	55
Deferred tax assets	10	25	-
		<u>9,727</u>	<u>8,737</u>
Current assets			
Other receivables and accrued income	8	373	313
Current receivables from affiliated companies	12	564	415
Cash and cash equivalents	9	2,888	3,504
		<u>3,825</u>	<u>4,232</u>
Total assets		<u>13,552</u>	<u>12,969</u>
Equity and liabilities			
Equity			
Share capital		8,730	8,730
Retained earnings		2,065	2,326
Total equity attributable to shareholder of the Company		<u>10,795</u>	<u>11,056</u>
Non-current liabilities			
Lease liabilities	11	251	154
Deferred tax liabilities	4	-	2
Other liabilities		141	77
		<u>392</u>	<u>233</u>
Current liabilities			
Trade payables		77	57
Other payables and accrued expenses	10	2,029	1,443
Lease liabilities	11	218	88
Payables to affiliated companies	12	7	1
Current tax liabilities		34	91
		<u>2,365</u>	<u>1,680</u>
Total liabilities and equity		<u>13,552</u>	<u>12,969</u>

Where applicable, the accounting policies of the Company are the same as those of the group on pages 12 to 18. The notes identified on page 37 to 43 are an integral part of these financial statements. Where the same items appear in the Group financial statements, reference is made to the notes on pages 23 to 33.

The financial statements of Citco (UK) Limited (Registered number 07904837) were approved by the Board of Directors and authorized for issuance on September 27, 2022 and are signed on its behalf by:

DocuSigned by:



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G. Hassett
 Director

**Statement of changes in equity
for the year ended December 31, 2021**

	Issued capital	Retained earnings	Total equity
	GBP 000	GBP 000	GBP 000
As at January 1, 2021	8,730	2,326	11,056
Net profit for the period	-	496	496
Total comprehensive income	-	496	496
Dividend paid	-	(757)	(757)
Total transactions with shareholder	-	(757)	(757)
Total equity attributable to shareholders of the Company as at December 31, 2021	8,730	2,065	10,795

On December 11, 2021, the Company has paid a dividend of GBP 757 thousand (2020: GBP 1,118 thousand).

	Issued capital	Retained earnings	Total equity
	GBP 000	GBP 000	GBP 000
As at January 1, 2020	8,730	1,898	10,628
Net profit for the period	-	1,546	1,546
Total comprehensive income	-	1,546	1,546
Dividends paid	-	(1,118)	(1,118)
Total transactions with shareholder	-	(1,118)	(1,118)
Total equity attributable to shareholders of the Company as at December 31, 2020	8,730	2,326	11,056

On December 11, 2020, the Company has paid a dividend of GBP 1,118 thousand (2019: nil).

Where applicable, the accounting policies of the Company are the same as those of the group on pages 12 to 18. The notes identified on page 37 to 43 are an integral part of these financial statements. Where the same items appear in the Group financial statements, reference is made to the notes on pages 23 to 33.

Citco (UK) Limited Company financial statements
Notes to the Company Financial Statements
for the years ended December 31, 2021 and 2020

1. Personnel expenses

	2021	2020
	GBP 000	GBP 000
Salaries and bonuses	8,865	7,635
Social charges and taxes	1,371	1,127
Pension expenses	574	500
Recruitment costs	62	50
Other personnel expenses	75	179
Personnel expenses	10,947	9,491

The average number of full-time employees for the year for Citco (UK) Limited was 47 (2020: 46).

Personnel expenses include the expenses associated with the Board of Directors. See Note 23 for Directors' remuneration.

2. Net finance (income)/expense

	2021	2020
	GBP 000	GBP 000
Foreign exchange (gain)/loss	(69)	199
Interest on lease liabilities	24	10
Net finance (income)/expense	(45)	209

3. Income tax

	2021	2020
	GBP 000	GBP 000
<i>Current income tax:</i>		
Current tax expense: current year	109	246
Current tax expense: prior year	10	22
	119	268
<i>Deferred tax:</i>		
Deferred tax expense: prior year	(33)	(5)
Deferred tax expense: current year	7	(5)
	(26)	(10)
Income tax expense reported in the statement of profit or loss	93	258

Citco (UK) Limited Company financial statements
Notes to the Company Financial Statements
for the years ended December 31, 2021 and 2020

3. Income tax (continued)

	2021		2020	
	%	GBP 000	%	GBP 000
Net profit before tax		<u>589</u>		<u>1,804</u>
		<u>589</u>		<u>1,804</u>
Income tax using the domestic corporation tax rate	19.00%	112	19.00%	343
Effect of tax rates in foreign jurisdictions	-%	-	7.00%	120
Non-deductible items	1.00%	4	1.00%	12
Tax exempt income	-%	-	(14.00)%	(234)
(Over)/under provided in prior years	(4.00)%	(23)	1.00%	18
Income tax expense	16.00%	93	14.00%	258

4. Deferred tax

	2021	2020
	GBP 000	GBP 000
Deferred tax assets	25	-
Deferred tax liabilities	-	(2)
Amounts recognized as at December 31,	<u>25</u>	<u>(2)</u>

The following are the major deferred tax assets and deferred tax liabilities recognized by the Group and the related movements during the year:

	Capitalised losses and Deferred tax deferred tax liabilities	assets	Total
	GBP 000	GBP 000	GBP 000
As at January 1, 2021	(2)	-	(2)
Utilization	-	27	27
As at December 31, 2021	<u>(2)</u>	<u>27</u>	<u>25</u>
As at January 1, 2020	(12)	-	(12)
Utilization	10	-	10
As at December 31, 2020	<u>(2)</u>	<u>-</u>	<u>(2)</u>

	2021	2020
	GBP 000	GBP 000
Property, plant and equipment	-	(2)
Provision	25	-
Net deferred tax liabilities	<u>25</u>	<u>(2)</u>

Citco (UK) Limited Company financial statements
Notes to the Company Financial Statements
for the years ended December 31, 2021 and 2020

5. Property, plant and equipment

	Machinery and equipment	Leasehold improvements	Total
	GBP 000	GBP 000	GBP 000
Cost:			
As at January 1, 2021	1,383	32	1,415
Additions	87	-	87
Disposals	(327)	-	(327)
As at December 31, 2021	1,143	32	1,175
Accumulated depreciation:			
As at January 1, 2021	1,309	11	1,320
Depreciation charge for the year	72	3	75
Disposals	(327)	-	(327)
As at December 31, 2021	1,054	14	1,068
Net carrying amount			
As at December 31, 2021	89	18	107
	Machinery and equipment	Leasehold improvements	Total
	GBP 000	GBP 000	GBP 000
Cost:			
As at January 1, 2020	1,320	32	1,352
Additions	64	-	64
Foreign exchange differences	(1)	-	(1)
As at December 31, 2020	1,383	32	1,415
Accumulated depreciation:			
As at January 1, 2020	1,207	8	1,215
Depreciation charge for the year	102	3	105
As at December 31, 2020	1,309	11	1,320
Net carrying amount			
As at December 31, 2020	74	21	95

Citco (UK) Limited Company financial statements
Notes to the Company Financial Statements
for the years ended December 31, 2021 and 2020

6. Right-of-use assets

66% of the lease relates to machinery and equipment (2020 :95%) and 34% relates to office space (2020: 5%) . The average lease term is 2 years (2020: 2 years).

	Right-of-use assets
	GBP 000
Cost	
As at January 1, 2021	392
Additions	376
Terminations	(3)
Foreign exchange differences	49
As at December 31, 2021	<u>814</u>
Depreciation	
As at January 1, 2021	156
Depreciation	197
As at December 31, 2021	<u>353</u>
Net carrying amount	
As at December 31, 2021	<u>461</u>

	Right-of-use assets
	GBP 000
Cost	
As at January 1, 2020	205
Additions	205
Terminations	(18)
As at December 31, 2020	<u>392</u>
Depreciation	
As at January 1, 2020	65
Depreciation	95
Terminations	(4)
As at December 31, 2020	<u>156</u>
Net carrying amount	
As at December 31, 2020	<u>236</u>

Citco (UK) Limited Company financial statements
Notes to the Company Financial Statements
for the years ended December 31, 2021 and 2020

7. Investment in subsidiaries

	<u>2021</u>	<u>2020</u>
	GBP 000	GBP 000
As at January 1,	8,351	8,201
Investment in AREDVI GmbH	728	150
As at December 31,	<u>9,079</u>	<u>8,351</u>

For details of the Company's investment in subsidiaries refer to Appendix I.

The Company has 100% Equity interest in the investments. An impairment assessment occurred with no amount booked.

8. Other receivables and accrued income

	<u>2021</u>	<u>2020</u>
	GBP 000	GBP 000
Prepaid expenses	214	215
VAT receivable	114	74
Security deposit	13	5
Other receivables	32	19
As at December 31,	<u>373</u>	<u>313</u>

9. Cash and cash equivalents

	<u>2021</u>	<u>2020</u>
	GBP 000	GBP 000
Current account with other banks	498	353
Bank balances with affiliated companies	2,390	3,151
As at December 31,	<u>2,888</u>	<u>3,504</u>

Bank balances earn interest at the respective short-term deposit market rates.

10. Other payables and accrued expenses

	<u>2021</u>	<u>2020</u>
	GBP 000	GBP 000
Accrued expenses	1,487	1,044
Taxes and social security contributions	542	399
As at December 31,	<u>2,029</u>	<u>1,443</u>

Citco (UK) Limited Company financial statements
Notes to the Company Financial Statements
for the years ended December 31, 2021 and 2020

11. Lease liabilities

	<u>2021</u>
	GBP 000
As at January 1,	241
Additions	377
Lease payments	(192)
Lease terminations	(3)
Foreign exchange difference	<u>47</u>
As at December 31,	<u>470</u>
	<u>2020</u>
	GBP 000
As at January 1,	142
Additions	206
Lease payments	(91)
Lease terminations	(14)
Foreign exchange difference	<u>(1)</u>
As at December 31,	<u>242</u>

Maturity analysis:

	<u>2021</u>	<u>2020</u>
	GBP 000	GBP 000
Within one year	218	88
In the second to the fifth year inclusive	<u>251</u>	<u>154</u>
As at December 31,	<u>469</u>	<u>242</u>

Citco (UK) Limited Company financial statements
Notes to the Company Financial Statements
for the years ended December 31, 2021 and 2020

12. Related party transactions

In the ordinary course of business, the Company enters into a number of related party transactions, which management believes are at an arm's length basis.

The Company has intercompany current account balances with affiliated companies:

	2021	2020
	GBP 000	GBP 000
Receivables	619	470
Payables	(7)	(1)
Net balance receivable as at December 31,	612	469

The following services were provided by the Group to the Parent Company and/or affiliated companies:

	2021	2020
	GBP 000	GBP 000
Personnel	10,939	9,512
General and administrative services	2,383	3,024
Operational services	629	580
As at December 31,	13,951	13,116

The following services were provided by the Parent Company and/or affiliated companies to the Group:

	2021	2020
	GBP 000	GBP 000
General and administrative services	1,177	1,357
As at December 31,	1,177	1,357

13. Events after the reporting date

Details of the Company's subsequent events are given in the Group's consolidated financial statements, Note 25.

Citco (UK) Limited**Appendix I: List of main subsidiaries**

The consolidated financial statements include the financial statements of the Company and its directly owned subsidiaries, which include the following companies:

Name	Principal activity	Place of incorporation/Registered office and principal place of business	Proportion of ownership interest
AREDVI GmbH	Aircraft leasing and financing	10 Universitätsring, Vienna 1010, Austria	100%
Citco Shared Services (India) Private Limited	Back office processing for fund administration	103 Sharda Chambers, 1st Floor, 15. Sir V. Thackersey Marg, New Marine Lines, Mumbai, Maharashtra 400020, India	100%
Citco Group Services (India) LLP	Back office processing for the ultimate parent company and its subsidiaries	Tower 2, Raikaran Tech Park, Saki Naka, Mumbai, Maharashtra 400072, India	0.1%

On November 23, 2016, the Company became the shareholder of AREDVI GmbH, an aircraft leasing and financing entity.

During 2017, the Company became the shareholder of Citco Shared Services India Private Limited ("CSSIP") a back office processing fund administration entity.

On October 1, 2018 Citco Shared Services (India) Private Limited became the shareholder of Citco Group Services (India) LLP which provides back office processing for the ultimate parent company its subsidiaries.

Independent auditor's report to the members of Citco (UK) Limited and Subsidiaries

Report on the audit of the financial statements

Opinion

In our opinion:

- the financial statements of Citco (UK) Limited (the 'parent company') and its subsidiaries (the 'group') give a true and fair view of the state of the group's and of the parent company's affairs as at 31/12/2021 and of the group's profit for the year then ended;
- the group and parent company financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union ("EU"); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated income statement;
- the consolidated statement of other comprehensive income;
- the consolidated and parent company statement of financial position;
- the consolidated and parent company statements of changes in equity;
- the consolidated cash flow statement; and
- the related notes 1 to 25 of the group financial statements, and note 1 to 13 of the parent company financial statements.

The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity 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 group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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 group's and parent 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 are 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are 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 are responsible for assessing the group's and the parent 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 group or the parent 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, about their own identification and assessment of the risks of irregularities

We obtained an understanding of the legal and regulatory framework[s] that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the Financial Conduct Authority (FCA) and the related regulations e.g. UK Companies Act, pensions legislation, tax legislation etc; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, and internal audit concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, and reviewing internal audit reports.

Report on other legal and regulatory requirements

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.

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

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

We have nothing to report in respect of these matters.

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.



David McCaffrey ACA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Deloitte & Touche House,
29 Earlsfort Terrace,
Dublin 2,
Ireland

Date: 29 September 2022