

Citco (UK) Limited and Subsidiaries

Annual Report 2020

Registered Number: 07904837



**Citco (UK) Limited
Contents**

Group Information	1
Strategic Report of Directors	2
Report of the Directors	3
Consolidated income statement	5
Consolidated statement of other comprehensive income	6
Consolidated statement of financial position	7
Consolidated statement of changes in equity	8
Consolidated statement of cash flows	10
Notes to the consolidated financial statements	11
Citco (UK) Limited Company financial statements	34
Independent Auditor's Report	44
Appendix 1	45

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, 2020. The audited consolidated financial statement of the Group for the year ended December 31, 2020 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 717,451 (2019: profit GBP 61,311) and is shown in the statement of comprehensive income. There were no other recognized gains or losses in the year (2019: Nil).

The directors paid a dividend of GBP 1,118,151 in 2020 (2019: 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.

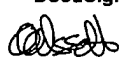
Future developments in the business

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

September 27, 2021

DocuSigned by:

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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, 2020.

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 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

There were no event that have occurred subsequent to December 31, 2020 through to the date that the consolidated financial statements were signed which would require further adjustment or disclosure.

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.

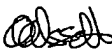
Auditor

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.

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

Glenn Hassett
Director
89 Nexus Way
Camana Bay,
Grand Cayman

September 27, 2021

DocuSigned by:

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Citco (UK) Limited
Consolidated income statement for
the year ended December 31, 2020

	Notes	2020 GBP 000	2019 GBP 000
Revenue			
Other income	4	22,480	23,655
		22,480	23,655
Operating expenses:			
Personnel expenses	5	14,932	14,588
Restructuring expenses		7	104
Occupancy expenses		1,534	1,486
Office and administration expenses		312	586
Travel expenses		1,797	3,152
Professional services	6	261	237
Depreciation	7	1,421	1,814
Other operating expenses	8	531	402
		20,795	22,369
Net profit from operations		1,685	1,286
Net finance expense	9	490	731
Share in profit in associate		(2)	(1)
Net profit before tax		1,197	556
Income tax expense	10	480	495
Net profit for the year		717	61
Attributable to:			
Shareholder of the Company		717	61

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, 2020

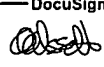
	<u>2020</u>	<u>2019</u>
	GBP 000	GBP 000
Net profit for the year	717	61
<i>Items that may be reclassified subsequently to consolidated income statement:</i>		
Foreign exchange difference on translation of foreign operations	(320)	(230)
Total other comprehensive loss for the year, net of tax	<u>(320)</u>	<u>(230)</u>
Total comprehensive income/(loss) for the year, net of tax	<u>397</u>	<u>(169)</u>
Attributable to:		
Shareholder of the Company	<u>397</u>	<u>(169)</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 financial position
as at December 31, 2020

	Notes	2020 GBP 000	2019 GBP 000
Assets			
Non-current assets			
Property, plant and equipment	11	239	448
Right-of-use assets	12	9,901	11,162
Investment in associate		7	5
Deferred tax assets	13	273	227
		<u>10,420</u>	<u>11,842</u>
Current assets			
Other receivables and accrued income	14	1,819	1,791
Current tax assets		1,056	811
Financial assets at amortized cost		-	161
Receivables from affiliated companies	22	794	733
Cash and cash equivalents	15	4,874	5,061
		<u>8,543</u>	<u>8,557</u>
Total assets		<u>18,963</u>	<u>20,399</u>
Equity and liabilities			
Equity			
Share capital	16	8,730	8,730
Translation reserve		(525)	(205)
Retained earnings		(242)	159
Total equity attributable to shareholder of the Company		<u>7,963</u>	<u>8,684</u>
Non-current liabilities			
Provisions Lease liabilities	19	181	92
Deferred tax liabilities	18	5,646	7,047
Other liabilities	13	2	12
		<u>77</u>	<u>-</u>
		<u>5,906</u>	<u>7,151</u>
Current liabilities			
Trade payables		69	82
Other payables and accrued expenses	17	2,433	2,094
Payables to affiliated companies	22	37	162
Current tax liabilities		1,223	922
Lease liabilities	18	1,332	1,304
		<u>5,094</u>	<u>4,564</u>
Total liabilities and equity		<u>18,963</u>	<u>20,399</u>

The notes on pages 11 to 33 form an integral part of these consolidated financial statements.
The financial statements of Citco (UK) Limited (Registered number 07904837) were approved by the Board of Directors and authorized for issuance on September 27, 2021 and are signed on its behalf by:

DocuSigned by:

G. Hassan 070714AC...
Director

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	-	-	717	717
Other comprehensive income	-	(320)	-	(320)
Total comprehensive income	-	(320)	717	397
Dividend 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 changes in equity
for the year ended December 31, 2019

As at January 1, 2019

Net profit for the period
Other comprehensive income
Total comprehensive income

Issuance of share capital
Total transactions with shareholder

Total equity attributable to shareholder of the Company as at December 31, 2019

Issued capital	Translation reserve	Retained earnings	Total equity
GBP 000	GBP 000	GBP 000	GBP 000
6,745	25	98	6,868
-	-	61	61
-	(230)	-	(230)
-	(230)	61	(169)
1,985	-	-	1,985
1,985	-	-	1,985
8,730	(205)	159	8,684

There were no dividend paid or declared in 2019 (2018: 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, 2020

	Notes	2020 GBP 000	2019 GBP 000
Cash flows from operating activities			
Net profit before tax from continuing operations		717	61
Adjustments for:			
Income tax expense	10	480	495
Depreciation	7	1,421	1,814
Net finance expense	9	490	731
Share in profit in associate		(2)	(1)
		<u>3,106</u>	<u>3,100</u>
Working capital adjustments:			
Increase in other receivables and accrued income		(28)	(251)
Increase in receivables from affiliated companies		(61)	(156)
Decrease/(increase) in financial assets at amortized cost		161	(161)
Decrease in trade payables		(13)	(1)
Increase/(decrease) in other payables and accrued expenses		339	(94)
Increase in provisions		89	25
Increase in other liabilities		77	-
Foreign exchange (losses)/gains		(108)	414
Decrease in payables to affiliated companies		(125)	(387)
Unrealized currency translation losses		(320)	(230)
		-	-
Interest paid		(142)	(525)
Income tax paid		(312)	(631)
Net cash flows generated by operating activities		<u>2,663</u>	<u>1,103</u>
Cash flows from investing activities			
Additions to property, plant and equipment	11	(86)	(174)
Proceeds on the disposal of property, plant and equipment		-	65
Investment in associate		-	(4)
Net cash flows (used in) investing activities		<u>(86)</u>	<u>(113)</u>
Cash flows from financing activities			
Issuance of shares		-	1,985
Payment of lease liabilities		(1,646)	(1,978)
Dividend paid		(1,118)	-
Net cash flows (used in)/generated by financing activities		<u>(2,764)</u>	<u>7</u>
Net (decrease)/increase in cash and cash equivalents		<u>(187)</u>	<u>997</u>
Cash and cash equivalents at January 1,	15	5,061	4,064
(Decrease)/increase in cash and cash equivalents		(187)	997
Cash and cash equivalents at December 31,	15	<u><u>4,874</u></u>	<u><u>5,061</u></u>

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

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, 2020 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, 2021.

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, 2020. 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

Management has considered the consequences of COVID-19 and other events and conditions, and it has determined that they do not create a material uncertainty that casts significant doubt upon the Group's ability to continue as a going concern. The impact of COVID-19 on future performance and therefore on the measurement of some assets and liabilities or on liquidity might be significant and might therefore require disclosure in the financial statements, but management has determined that they do not create a material uncertainty that casts significant doubt upon the Group's ability to continue as a going concern.

2.3. New standards adopted by the Group

The following standards and amendments, effective from January 1, 2020, did not have any material impact on the Group's disclosures or the amounts recognized:

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

2.4. New standards and interpretations not yet adopted

The IASB has issued a number of minor amendments to IFRS effective January 1, 2021. These amendments are not expected to have a significant impact on the Group.

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 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. Principal accounting policies (continued)

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.

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

2. Principal accounting policies (continued)

2.11. Property, plant and equipment (continued)

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.

Control is considered to exist if the customer has:

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

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.

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.

2. Principal accounting policies (continued)

2.12 Lease liabilities

(continued) 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.

2.13. Impairment

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.

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.

2. Principal accounting policies (continued)

2.14. 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.

2.15. Accrued income

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

2.16. 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

2.17. 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. Principal accounting policies (continued)

2.18. 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.

2.19. 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.

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.

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, 2020					
Non-current assets					
Property, plant and equipment	95	-	144	-	239
Right-of-use assets	236	9,257	408	-	9,901
Investment in associate	-	-	7	-	7
Deferred tax assets	-	-	273	-	273
Current assets					
Other receivables and accrued income	313	213	1,293	-	1,819
Current tax assets	-	-	1,056	-	1,056
Receivables from affiliated companies	415	379	-	-	794
Cash and cash equivalents	1,530	2,089	1,169	86	4,874
Total assets	2,589	11,938	4,350	86	18,963
Non-current liabilities					
Provisions Lease liabilities	-	-	181	-	181
Deferred tax liabilities	154	5,492	-	-	5,646
Other liabilities	2	-	-	-	2
	77	-	-	-	77
Current liabilities					
Trade payables	57	-	12	-	69
Other payables and accrued expenses	1,443	47	943	-	2,433
Payables to affiliated companies	2	-	35	-	37
Current tax liabilities	91	-	1,132	-	1,223
Lease liabilities	88	776	468	-	1,332
Total liabilities	1,914	6,315	2,771	-	11,000
Net balance sheet position	675	5,623	1,579	86	7,963
As at December 31, 2019					
Total assets	4,139	10,648	5,612	-	20,399
Total liabilities	1,502	7,286	2,927	-	11,715
Net balance sheet position	2,637	3,362	2,685	-	8,684

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, 2020 would increase by GBP 0.8 million (2019: increase by GBP 1.7 million) and the Group's equity as at December 31, 2020 would increase by GBP 0.6 million (2019: increase by GBP 0.3 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, 2020 would decrease by GBP 0.8 million (2019: decrease by GBP 1.7 million) and the Group's equity as at December 31, 2020 would decrease by GBP 0.6 million (2019: decrease by GBP 0.3 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 GBP 000	1-3 months GBP 000	3-12 months GBP 000	1-5 years GBP 000	Total 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
Other payables and accrued expenses	2,433	-	-	-	2,433
Payables to affiliated companies	37	-	-	-	37
Lease liabilities	104	234	994	-	1,332
Total liabilities	2,643	234	994	5,723	9,594

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, 2019					
Current assets					
Other receivables and accrued income	1,791	-	-	-	1,791
Financial assets at amortized cost	161	-	-	-	161
Receivables from affiliated companies	733	-	-	-	733
Cash and cash equivalents	5,061	-	-	-	5,061
Total assets	7,746	-	-	-	7,746
Non current liabilities					
Lease liabilities	-	-	-	7,047	7,047
Current liabilities					
Trade payables	82	-	-	-	82
Payables to affiliated companies	162	-	-	-	162
Other payables and accrued expenses	2,094	-	-	-	2,094
Lease liabilities	109	217	978	-	1,304
Total liabilities	2,447	217	978	7,047	10,689

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, 2020, 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.

4. Revenue from contracts with customers

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

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

2019	Europe	Asia	Total
	GBP 000	GBP 000	GBP 000
Other income	798	-	798
Intercompany recharge	13,372	9,485	22,857
Revenue	14,170	9,485	23,655

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

	2020	2019
	GBP 000	GBP 000
Salaries and bonuses	12,828	12,797
Social charges and taxes	1,127	1,049
Pension expenses	747	760
Recruitment costs	116	204
Other personnel expenses	114	(222)
Personnel expenses	14,932	14,588

The average number of full-time employees for the year for Citco (UK) Limited was 353 (2019: 428).

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

6. Professional services

	2020	2019
	GBP 000	GBP 000
Professional fees	217	201
Audit fees	44	36
Professional services	261	237

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

7. Depreciation

	Notes	2020	2019
		GBP 000	GBP 000
Depreciation machinery and equipment	11	215	304
Depreciation leasehold improvements	11	66	71
Depreciation of right-of-use assets	12	1,140	1,439
Depreciation		1,421	1,814

8. Other operating expenses

	2020	2019
	GBP 000	GBP 000
Market data expense	60	61
Insurance premium	230	73
Non recoverable VAT	(2)	21
Bank charges	6	5
Professional membership and subscriptions	203	143
Other expenses	34	99
Other operating expenses	531	402

9. Net finance expense

	2020	2019
	GBP 000	GBP 000
Interest on lease liabilities	347	535
Foreign exchange	228	206
Interest income	(85)	(11)
Interest expense	-	1
Net finance expense	490	731

10. Income tax

	2020	2019
	GBP 000	GBP 000
<i>Current income tax:</i>		
Current tax expense: current year	549	603
Current tax expense: prior year	22	49
	<u>571</u>	<u>652</u>
<i>Deferred tax:</i>		
Deferred tax expense: prior year	(5)	(109)
Deferred tax expense: current year	(86)	(48)
	<u>(91)</u>	<u>(157)</u>
Income tax expense reported in the consolidated statement of profit or loss	<u>480</u>	<u>495</u>

Reconciliation of the effective tax rate:

	2020		2019
	% GBP 000		% GBP 000
Net profit before tax	<u>1,197</u>		<u>556</u>
	<u>1,197</u>		<u>556</u>
Income tax using the domestic corporation tax rate	19.00% 228		19.00% 106
Effect of tax rates in foreign jurisdictions	12.00% 143		12.00% 68
Non-deductible items	1.00% 11		8.00% 44
Effect of non capitalized losses	7.00% 80		61.00% 337
Under/(over) provided in prior years	1.00% 18		(11.00)% (60)
Income tax expense	<u>40.00% 480</u>		<u>89.00% 495</u>

11. Property, plant and equipment

	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
	Machinery and equipment	Leasehold improvements	Total
	GBP 000	GBP 000	GBP 000
Cost:			
As at January 1, 2019	14,168	363	14,531
Transfer finance lease under IFRS 16	(11,951)	-	(11,951)
Additions	174	-	174
Disposals	(65)	-	(65)
Foreign exchange differences	(417)	(18)	(435)
As at December 31, 2019	1,909	345	2,254
Accumulated depreciation:			
As at January 1, 2019	2,598	115	2,713
Transfer finance lease under IFRS 16	(1,234)	-	(1,234)
Depreciation charge for the year	304	71	375
Disposals	19	-	19
Foreign exchange differences	(58)	(9)	(67)
As at December 31, 2020	1,629	177	1,806
Net carrying amount			
As at December 31, 2019	280	168	448

12. Right-of-use assets

The Group leases several assets including machinery and equipment. 65% (2019: 91%) of the operating lease relates to office space and 35% (2019: 9%) relates to machinery and equipment. The average lease term is 2 years (2019: 3 years).

	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>

	Right-of-use assets
	GBP 000
Cost	
As at January 1, 2019	-
Transfer finance lease under IFRS 16	11,951
Additions	1,899
Terminations	(297)
Foreign exchange differences	(100)
As at December 31, 2019	<u>13,453</u>
Depreciation	
As at January 1, 2019	-
Transfer finance lease under IFRS 16	1,234
Depreciation	1,439
Terminations	(297)
Foreign exchange differences	(85)
As at December 31, 2019	<u>2,291</u>
Net carrying amount	
As at December 31, 2019	<u>11,162</u>

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:

	2020	2019
	GBP 000	GBP 000
Deferred tax assets	273	227
Deferred tax liabilities	(2)	(12)
Amounts recognized as at December 31	271	215

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

	Capitalized losses and deferred tax assets	Deferred tax liabilities	Total
	GBP 000	GBP 000	GBP 000
As at January 1, 2020	227	(12)	215
Increase	46	-	46
Utilization	-	10	10
As at December 31, 2020	273	(2)	271
As at January 1, 2019	79	(4)	75
Increase	148	(8)	140
As at December 31, 2019	227	(12)	215

	2020	2019
	GBP 000	GBP 000
Property, plant and equipment	52	26
Provision	219	189
Net deferred tax assets	271	215

14. Other receivables and accrued income

	2020	2019
	GBP 000	GBP 000
Prepaid expenses	296	238
VAT receivable	464	535
Security deposit	410	396
Government grants	611	550
Other receivables	38	72
As at December 31,	1,819	1,791

15. Cash and cash equivalents

	2020	2019
	GBP 000	GBP 000
Current account with other banks	408	2,445
Deposit with other banks	1,147	-
Bank balances with affiliated companies	3,319	2,616
As at December 31,	4,874	5,061

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

16. Share capital**Ordinary shares issued and fully paid**

In 2020, the Company issued nil (2019: 1,985,349) ordinary shares respectively of GBP 1.00 each.

	2020	2019
	Number of shares thousands	Number of shares thousands
As at January 1,	8,730	6,745
Issuance of ordinary shares at a par value of GBP 1 each	-	1,985
As at December 31,	8,730	8,730

17. Other payables and accrued expenses

	2020	2019
	GBP 000	GBP 000
Accrued expenses	1,841	1,653
VAT payable	-	15
Taxes and social security contributions	592	426
As at December 31	2,433	2,094

18. Lease liabilities

	2020
	GBP 000
As at January 1,	8,351
Additions	206
Lease payments	(1,298)
Lease terminations	(14)
Foreign exchange difference	(266)
As at December 31,	6,979

	2019
	GBP 000
As at January 1,	8,219
Additions	1,852
Lease payments	(1,486)
Foreign exchange difference	(235)
As at December 31,	8,350

Maturity analysis:

	2020	2019
	GBP 000	GBP 000
Within one year	1,332	1,304
In the second to the fifth year inclusive	5,646	7,047
As at December 31,	6,978	8,351

19. Provisions

	Pension
	<u>GBP 000</u>
As at January 1, 2020	92
Provisions made during the year	98
Foreign exchange gain	<u>(9)</u>
As at December 31, 2020	<u>181</u>
Non-current	<u>181</u>
As at December 31, 2020	<u>181</u>
	Pension
	<u>GBP 000</u>
As at January 1, 2019	67
Provisions made during the year	<u>25</u>
As at December 31, 2019	<u>92</u>
Non-current	<u>92</u>
As at December 31, 2019	<u>92</u>

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**

	2020	2019
	<u>GBP 000</u>	<u>GBP 000</u>
Cash and cash equivalents	4,875	5,061
Loans and receivables	1,853	1,911
As at December 31	<u>6,728</u>	<u>6,972</u>

Financial liabilities

	2020	2019
	<u>GBP 000</u>	<u>GBP 000</u>
Other liabilities	9,003	10,250
As at December 31	<u>9,003</u>	<u>10,250</u>

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.

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:

	2020	2019
	GBP 000	GBP 000
Receivables	794	733
Financial assets at amortized cost	-	161
Payables	(37)	(162)
Net balance receivable as at December 31,	757	732

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

	2020	2019
	GBP 000	GBP 000
Operational services	1,921	2,435
General and administrative services	5,590	6,492
Personnel	14,969	14,728
As at December 31,	22,480	23,655

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

	2020	2019
	GBP 000	GBP 000
General and administrative services	1,200	1,063
Finance expense	(42)	(11)
As at December 31,	1,158	1,052

23. Directors' remuneration

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

	2020	2019
	GBP 000	GBP 000
Salary and fringe benefits	208	71
Pension	21	-
Directors' remuneration	229	71

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

24. Subsequent events during the year

The COVID-19 pandemic has developed rapidly in 2020, with a significant number of cases. Measures taken by various governments to contain the virus have affected economic activity. The Group have taken a number of measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for our people (such as social distancing and working from home).

At this stage, the impact on business and results has not been significant and based on the Group's experience to date it is expected that this will remain the case. The Group have found increased demand for services and expect this to continue. The Group will continue to follow the various government policies and advice and, in parallel, the Group will do the utmost to continue our operations in the best and safest way possible without jeopardising the health of employees.

25. Events after the reporting date


There were no events that have occurred subsequent to December 31, 2020 through to the date that the consolidated financial statements were signed other which would require further adjustment or disclosure.

Approval of the Financial Statements

The financial statements were approved by the Board of Directors and authorized for issuance on September 27, 2021:

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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Citco (UK) Limited - Company financial statements
Company income statement
for the year ended December 31, 2020

	Notes	2020	2019
		GBP 000	GBP 000
Revenue			
Other income		12,973	12,187
Dividend income		1,230	-
		14,203	12,187
 Operating expenses:			
Personnel expenses	1	9,491	8,268
Other operating expenses		2,699	3,413
		12,190	11,681
 Net profit from operations		2,013	506
 Net finance expense	2	209	3
Net profit before tax		1,804	503
 Income tax expense	3	258	147
Net profit after tax		1,546	356
 Attributable to:			
Shareholders of the Company		1,546	356

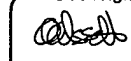
Where applicable, the accounting policies of the Company are the same as those of the group on pages 12 to 18. The notes identified on page 37 to 43 are an integral part of these financial statements. Where the same items appear in the Group financial statements, reference is made to the notes on pages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

Citco (UK) Limited - Company financial statements
Statement of financial position as at
December 31, 2020

	Notes	2020 GBP 000	2019 GBP 000
Assets			
Non-current assets			
Property, plant and equipment	5	95	137
Right-of-use assets	6	236	140
Investment in subsidiaries	7	8,351	8,201
Non-current receivables from affiliated companies	12	55	54
		<u>8,737</u>	<u>8,532</u>
Current assets			
Other receivables and accrued income	8	313	259
Current receivables from affiliated companies	12	415	651
Cash and cash equivalents	9	3,504	2,953
		<u>4,232</u>	<u>3,863</u>
Total assets		12,969	12,395
Equity and liabilities			
Equity			
Share capital		8,730	8,730
Retained earnings		2,326	1,898
Total equity attributable to shareholder of the Company		11,056	10,628
Non-current liabilities			
Lease liabilities	11	154	72
Deferred tax liabilities	4	2	12
Other liabilities		77	-
		<u>233</u>	<u>84</u>
Current liabilities			
Trade payables		57	68
Other payables and accrued expenses	10	1,443	1,262
Lease liabilities	11	88	70
Payables to affiliated companies	12	1	267
Current tax liabilities		91	16
		<u>1,680</u>	<u>1,683</u>
Total liabilities and equity		12,969	12,395

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, 2021 and are signed on its behalf by:

DocuSigned by:

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 G. Hassett
 Director

Citco (UK) Limited - Company financial statements
Statement of changes in equity
for the year ended December 31, 2020

	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
Dividend 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).

	Issued capital	Retained earnings	Total equity
	GBP 000	GBP 000	GBP 000
As at January 1, 2019	6,745	1,542	8,287
Net profit for the period	-	356	356
Total comprehensive income	-	356	356
Issuance of share capital	1,985	-	1,985
Total transactions with shareholder	1,985	-	1,985
Total equity attributable to shareholders of the Company as at December 31, 2019	8,730	1,898	10,628

There were no dividend paid or declared in 2019 (2018: 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.

1. Personnel expenses

	2020	2019
	GBP 000	GBP 000
Salaries and bonuses	7,635	6,585
Social charges and taxes	1,127	1,049
Pension expenses	500	392
Recruitment costs	50	72
Other personnel expenses	179	170
Personnel expenses	9,491	8,268

The average number of full-time employees for the year for Citco (UK) Limited was 46 (2019: 48).

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

2. Net finance expense

	2020	2019
	GBP 000	GBP 000
Foreign exchange loss/(gain)	199	(10)
Interest on lease liabilities	10	9
Interest expense	-	4
Net finance expense	209	3

3. Income tax

	2020	2019
	GBP 000	GBP 000
<i>Current income tax:</i>		
Current tax expense: current year	246	57
Current tax expense: prior year	22	83
	268	140
<i>Deferred tax:</i>		
Deferred tax expense: prior year	(5)	(76)
Deferred tax expense: current year	(5)	83
	(10)	7
Income tax expense reported in the statement of profit or loss	258	147

3. Income tax (continued)

	2020		2019	
	%	GBP 000	%	GBP 000
Net profit before tax		<u>1,804</u>		<u>503</u>
		<u>1,804</u>		<u>503</u>
Income tax using the domestic corporation tax rate	19.00%	343	19.00%	96
Effect of tax rates in foreign jurisdictions	7.00%	120	-%	-
Non-deductible items	1.00%	12	9.00%	44
Tax exempt income	(14.00)%	(234)	-%	-
Under/(over) provided in prior years	1.00%	18	1.00%	7
Income tax expense	<u>14.00%</u>	<u>258</u>	<u>29.00%</u>	<u>147</u>

4. Deferred tax

	2020	2019
	GBP 000	GBP 000
Deferred tax liabilities	(2)	(12)
Amounts recognized as at December 31	<u>(2)</u>	<u>(12)</u>

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

	Deferred tax liabilities	Total
	GBP 000	GBP 000
As at January 1, 2020	(12)	(12)
Utilization	10	10
As at December 31, 2020	<u>(2)</u>	<u>(2)</u>
As at January 1, 2019	(4)	(4)
Increase	(8)	(8)
As at December 31, 2019	<u>(12)</u>	<u>(12)</u>

	2020	2019
	GBP 000	GBP 000
Property, plant and equipment	(2)	(12)
Net deferred tax liabilities	<u>(2)</u>	<u>(12)</u>

5. Property, plant and equipment

	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

	Machinery and equipment	Leasehold improvements	Total
	GBP 000	GBP 000	GBP 000
Cost:			
As at January 1, 2019	1,261	32	1,293
Additions	59	-	59
As at December 31, 2019	1,320	32	1,352
Accumulated depreciation:			
As at January 1, 2019	1,109	5	1,114
Depreciation charge for the year	98	3	101
As at December 31, 2020	1,207	8	1,215
Net carrying amount			
As at December 31, 2019	113	24	137

6. Right-of-use assets

95% of the lease relates to machinery and equipment (2019: 63%) and 5% relates to office space (2019: 37%) . The average lease term is 2 years (2019: 3 years).

	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>
	Right-of-use assets
	GBP 000
Cost	
As at January 1, 2019	-
Additions	318
Terminations	(106)
Foreign exchange differences	(7)
As at December 31, 2019	<u>205</u>
Depreciation	
As at January 1, 2019	-
Depreciation	171
Terminations	(106)
As at December 31, 2019	<u>65</u>
Net carrying amount	
As at December 31, 2019	<u>140</u>

7. Investment in subsidiaries

	2020	2019
	GBP 000	GBP 000
As at January 1,	8,201	6,214
Investment in AREDVI GmbH	150	1,987
As at December 31,	8,351	8,201

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

8. Other receivables and accrued income

	2020	2019
	GBP 000	GBP 000
Prepaid expenses	215	103
VAT receivable	74	88
Security deposit	5	5
Other receivables	19	63
As at December 31,	313	259

9. Cash and cash equivalents

	2020	2019
	GBP 000	GBP 000
Current account with other banks	353	564
Bank balances with affiliated companies	3,151	2,389
As at December 31,	3,504	2,953

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

10. Other payables and accrued expenses

	2020	2019
	GBP 000	GBP 000
Accrued expenses	1,044	900
VAT payable	-	15
Taxes and social security contributions	399	347
As at December 31	1,443	1,262

11. Lease liabilities

	2020
	<u>GBP 000</u>
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>

	2019
	<u>GBP 000</u>
Additions	318
Lease payments	(172)
Foreign exchange difference	<u>(3)</u>
As at December 31,	<u>143</u>

Maturity analysis:

	2020	2019
	<u>GBP 000</u>	<u>GBP 000</u>
Within one year	88	70
In the second to the fifth year inclusive	154	72
As at December 31,	<u>242</u>	<u>142</u>

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:

	2020	2019
	GBP 000	GBP 000
Receivables	470	705
Payables	(1)	(267)
Net balance receivable as at December 31,	469	438

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

	2020	2019
	GBP 000	GBP 000
Personnel	9,512	8,449
General and administrative services	3,024	3,203
Operational services	580	535
As at December 31,	13,116	12,187

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

	2020	2019
	GBP 000	GBP 000
General and administrative services	1,357	1,063
As at December 31,	1,357	1,063

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 December 2020 and of the group's profit for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; 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 12 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CITCO (UK) LIMITED AND SUBSIDIARIES

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.

As part of an audit in accordance with ISAs (UK), the auditor exercises professional judgment and maintains professional scepticism throughout the audit. The auditor also:

- Identifies and assesses the risks of material misstatement of the company's financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for the auditor's opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's (or where relevant, the group's) internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Concludes on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's (or where relevant, the group's) ability to continue as a going concern. If the auditor concludes that a material uncertainty exists, the auditor is required to draw attention in the auditor's report to the related disclosures in the financial statements or/ if such disclosures are inadequate, to modify the auditor's opinion. The auditor's conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the company (or where relevant, the group) to cease to continue as a going concern.
- Evaluates the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation (i.e. gives a true and fair view).

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CITCO (UK) LIMITED AND SUBSIDIARIES

The auditor communicates with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CITCO (UK) LIMITED AND SUBSIDIARIES

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.



Brian Forrester
For and on behalf of Deloitte LLP
Statutory Auditor
Deloitte & Touche House, 29 Earlsfort Terrace,
Dublin 2, Ireland

Date: 29 September 2021