

# **JHSW LIMITED**

**Registered Number: 00532081**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS**

**for the year ended 31 December 2020**

**WEDNESDAY**



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# **JHSW LIMITED**

## **DIRECTORS' REPORT**

for the year ended 31 December 2020

The Directors present their report and the audited financial statements of JHSW Limited ("the Company") for the year ended 31 December 2020.

### **Principal activities and business review**

The Company is a wholly-owned subsidiary of Citigroup Global Markets Europe Limited ("CGMEL").

On 1 January 2001, the Company surrendered its authorisation with the Financial Services Authority, since replaced by the Prudential Regulation Authority and the Financial Conduct Authority, and is now categorised as a Former Authorised Institution. Since that date the Company has not conducted any regulated business.

The Company has undertaken no trading activities during the year.

### **Going concern**

The financial statements have been prepared on a going concern basis taking into account the Company's existing capital and the ultimate reliance on support from the Company's parent. In making this assessment, the Directors have considered a wide range of information relating to present and future conditions, including the implications from the pandemic (COVID-19) outbreak. Given the Company's ultimate reliance on the support of the parent, please refer to the risk factors impacting Citigroup Inc. from its 2020 annual report, on form 10-K at <http://www.citigroup.com/citi/investor/sec.htm>. The Directors have no plans or intentions to change the Company's principal activities.

### **Results and dividends**

During the financial year and the preceding financial year, the Company did not trade and received no income and incurred no expenditure. Consequently, the Company made neither a profit nor a loss and has not recognised any other comprehensive income during the financial year and the preceding financial year.

The current year audit fee of £3,597 for the 2020 financial statements is borne and paid by another group company (2019: £5,503).

The total net assets as at 31 December 2020 of the Company amounted to £388 thousand (2019: £388 thousand).

The Company's strategy is to continue to remain in operation for the foreseeable future as there remains a potential for claims to be made against it by former customers. These potential claims are handled and settled by a Trust created specifically for this purpose therefore no liability is recognised in the books of the Company.

No dividends were paid by the Company during the year (2019: £nil) and the Directors do not recommend payment of a dividend (2019: £nil).

### **Principal risks and uncertainties**

#### *Operational risk*

As the Company was once an authorised financial institution there remains a potential for claims to be made against it by former customers. Due to the dormant nature of the Company, no credit, market, liquidity or other risks and uncertainties currently apply to it.

### **Directors**

The Directors who held office during the year ended 31 December 2020 and since year end were:

J D K Bardrick  
J Warren

### **Directors' Indemnity**

The Directors benefit from qualifying third party indemnity provisions in place during the financial period and at the date of this report.

# **JHSW LIMITED**

## **DIRECTORS' REPORT**

for the year ended 31 December 2020

### **Statement of Directors' responsibilities in respect of the Directors' report and the Financial Statements**

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law, including FRS 101 *Reduced Disclosure Framework*.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### **Environmental matters**

The Company will seek to minimise adverse impacts on the environment from its activities, whilst continuing to address health, safety and economic issues.

### **Political contributions**

No political contributions were made during the year (2019: £nil).

### **Employee involvement**

There were no persons employed by the Company during the year and no persons have been employed by the Company since the year end.

### **Strategic Report**

Section 414B of the Companies Act 2006 states that a company is entitled to the small companies exemption in relation to the strategic report for a financial year if it would be so entitled but for being or having been a member of an ineligible group. As such, the Company has elected to exercise this exemption in relation to the preparation of a Strategic Report for this financial year.

# **JHSW LIMITED**

## **DIRECTORS' REPORT**

for the year ended 31 December 2020

### **Provision of information to Auditor**


Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the Company's auditors is unaware; and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any information needed by the Company's auditor in connection with preparing its report and to establish that the Company's auditor is aware of that information.

### **Auditor**

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board



J Warren  
Director

15 July 2021

Incorporated in England and Wales

Registered Office: Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB

Registered Number: 00532081

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF JHSW LIMITED

## Opinion

We have audited the financial statements of JHSW Limited ("the Company") for the year ended 31 December 2020 which comprise the Income Statement, Balance Sheet, Statement of Changes in Equity and related notes, including the principal accounting policies in Note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and its results for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

## Going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the Directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

## Fraud and breaches of laws and regulations – ability to detect

### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of Directors
- Reading Board minutes; and
- Using analytical procedures to identify any unusual or unexpected relationships.

As required by auditing standards, and taking into account possible pressures to meet profit targets/ recent revisions to guidance/ our overall knowledge of the control environment/ other reason specific to this, we perform procedures to address the risk of management override of controls, in particular the risk that Company's management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there are no revenue transactions.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF JHSW LIMITED

## **Fraud and breaches of laws and regulations – ability to detect (continued)**

### *Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Directors (as required by auditing standards), and discussed with the Directors the policies and procedures regarding compliance with laws and regulations.

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

This Company is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

### *Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

We did not identify any additional fraud risks.

## **Directors' report**

The Directors are responsible for the Directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the Directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF JHSW LIMITED

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

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

## Directors' responsibilities

As explained more fully in their statement set out on page 2, the Directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

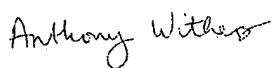
## Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

## The purpose of our audit work and to whom we owe our responsibilities

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.



**Anthony Withers (Senior Statutory Auditor)**  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants

15 Canada Square  
London  
E14 5GL

15 July 2021

## **JHSW LIMITED**

### **INCOME STATEMENT**

for the year ended 31 December 2020

The Company did not trade during the current and preceding financial year and earned no income and incurred no expenses during the current and previous year and therefore is exempted from preparing an Income Statement or Statement of Other Comprehensive Income.

### **BALANCE SHEET**

as at 31 December 2020

	Note	2020 £000	2019 £000
<b>Current assets</b>			
Amounts owed by parent undertaking	4	388	388
<b>Net assets</b>		388	388
<b>Capital and reserves</b>			
Called up share capital	5	100	100
Profit and loss account		288	288
<b>Equity shareholders' funds</b>		388	388

The accompanying notes on pages 9 to 11 form an integral part of these financial statements.

The financial statements were approved and authorised for issue by the Directors and were signed on their behalf on 15 July 2021.



J Warren  
Director

Registered Number: 00532081



## **JHSW LIMITED**

### **STATEMENT OF CHANGES IN EQUITY**

for the year ended 31 December 2020

	<b>Share capital</b>	<b>Profit and loss account</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
As at 1 January 2019	100	288	388
Result for the year	-	-	-
As at 1 January 2020	100	288	388
Result for the year	-	-	-
As at 31 December 2020	100	288	388

The accompanying notes on pages 9 to 11 form an integral part of these financial statements.

# JHSW LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Accounting policies

#### a) Basis of preparation

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006 ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company has taken exemption available under FRS 101 not to disclose all transactions with other group companies and investees of the group qualifying as related parties. It has also taken the exemption available under FRS 101 not to prepare a cash flow statement and the effects of new but not yet effective IFRSs and Capital Management disclosures.

These financial statements have been prepared under the historical cost convention. The functional and financial statements presentational currency of the Company is Pound Sterling ("£") and all values are rounded to the nearest pound, except where otherwise indicated.

The Company's results are consolidated in the financial statements of its ultimate parent company, Citigroup Inc., which are made available to the public annually.

The accounting policy set out below has, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The financial statements have been prepared on a going concern basis taking into account the Company's existing capital and the ultimate reliance on support from the Company's parent. In making this assessment, the Directors have considered a wide range of information relating to present and future conditions, including the implications from the pandemic (COVID-19) outbreak. Given the Company's ultimate reliance on the support of the parent, please refer to the risk factors impacting Citigroup Inc. from its 2020 annual report, on form 10-K at <http://www.citigroup.com/citi/investor/sec.htm>. The Directors have no plans or intentions to change the Company's principal activities.

#### b) Changes in accounting policy and disclosures

##### *Standards issued and effective*

There are a number of accounting standards that have been issued by the International Accounting Standards Board ("IASB"), which became effective from 1 January 2020. They include:

- Amendments to references to Conceptual Framework in IFRS Standards
- Definition of a Business (Amendments to IFRS 3)
- Definition of Material (Amendments to IAS 1 and IAS 8)
- COVID-19-Related Rent Concessions (Amendment to IFRS 16)
- Applying IFRS 9 'Financial Instruments' with IFRS 4 'Insurance Contracts' (Amendments to IFRS 4)
- Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)

The above amended standards and interpretations did not have any impact on the Company's financial statements.

# JHSW LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Accounting policies (continued)

#### c) Taxation

Income tax payable on profits is recognised as an expense based on the applicable tax laws in each jurisdiction in the period in which profits arise. The tax effects of income tax losses available for carry-forward are recognised as a deferred tax asset if it is probable that future taxable profit will be available against which the losses can be utilised.

Deferred tax assets and liabilities are recognised for taxable and deductible temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are recognised to the extent that it is probable that there will be suitable profits available against which these differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the asset will be realised or the liability will be settled based on tax rates that are enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Current and deferred taxes are recognised as income tax benefit or expense in the income statement

#### d) Debtors

Debtors are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, and subject to expected credit loss impairment under IFRS 9 as described above.

### 2. Directors' remuneration

None of the Directors received any remuneration during the current or preceding year in respect of their services to the Company.

### 3. Auditor's remuneration

The current year audit fee of £3,597 for the 2020 financial statements is borne and paid by another group company (2019: £5,503).

### 4. Debtors

	2020 £000	2019 £000
Amounts owed by group undertakings	388	388

### 5. Share capital

	2020 £000	2019 £000
Allotted, called up and fully paid 100,000 ordinary shares of £ 1 each	100	100

## **JHSW LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **6. Ultimate parent undertaking and controlling party**

The Company's immediate parent undertaking is Citigroup Global Markets Europe Limited ("CGMEL"), a company registered in England and Wales. The Company's ultimate parent company and ultimate controlling party is Citigroup Inc., incorporated in the State of Delaware, United States of America.

The audited financial statements of the parent are made available to the public annually in accordance with Companies House regulations and may be obtained from its registered office at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, United Kingdom.

The audited consolidated financial statements of Citigroup Inc. are made available to the public annually in accordance with Securities and Exchange Commission regulations and may be obtained from its registered office at 1209 Orange Street, Wilmington, New Castle, DE, 19810, United States of America and <https://www.citigroup.com/citi/investor/sec.htm>.