

R.B. BISHOPSGATE INVESTMENTS LIMITED

(Registered Number: 02924707)

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2021



R.B. BISHOPSGATE INVESTMENTS LIMITED

DIRECTORS' REPORT

for the year ended 31 December 2021

The Directors present their report and the financial statements of R.B. Bishopsgate Investments Limited ('the Company', 'RBBIL') for the year ended 31 December 2021.

Business environment

The Company is a wholly owned subsidiary of Canada Square Investments Limited ('CSIL', 'the parent'), and the principal activity of the Company during the year was that of property investment. The Company derives its revenues from its leasehold property held within the United Kingdom.

The leasehold property held by the Company is that of Citigroup Centre 2 ('CGC2'), 25 Canada Square, Canary Wharf, London. The building, together with Citigroup Centre 1 ('CGC1'), 33 Canada Square, acts as Citigroup Inc.'s ('Citi') EMEA headquarters and contains a significant portion of Citi's UK employee base and core business operating activities.

The decision of the UK to withdraw its membership of the European Union provided some short term uncertainty to the UK commercial property sector however in the long term the sector is expected to remain an attractive investment proposition for investors with continued rental growth and capital appreciation forecasted.

Going concern

The financial statements are prepared on a going concern basis, as the Directors are satisfied that the Company has the resources to continue in business for the foreseeable future. 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 2021 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.

The financial statements are prepared on a going concern basis. The Directors are satisfied that the Company has the resources to continue in business for the foreseeable future. In making this assessment, the Directors have considered a wide range of information relating to present and future conditions, including any potential effects of the pandemic COVID-19.

Dividends

The Company did not pay an interim dividend during the year (2020: £ nil) and the Directors do not recommend the payment of a final dividend in respect of the year (2020: £ nil).

Directors

The Directors who held office during the year ended 31 December 2021 and since year end were:

J R Killey (resigned on 25 March 2022)

K M Harrison-Thomas (appointed on 18 June 2021)

J Warren

Directors' indemnity

Throughout the year and at the date of this report the Company is party to a group-wide indemnity policy which benefits all of its current directors and is a qualifying third party indemnity provision for the purpose of section 236 of the Companies Act 2006.

R.B. BISHOPSGATE INVESTMENTS LIMITED

DIRECTORS' REPORT

for the year ended 31 December 2021

Statement of Directors' responsibilities in respect of the Strategic Report, 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.

Stakeholder engagement statement

To ensure the most efficient and effective approach, stakeholder engagement is led by Citigroup, in particular where matters are of group-wide significance or have an impact on Citigroup's reputation.

The Company's Board considers and discusses information from across the organisation to help it understand the impact on the Company's operations and the interests and views of our key stakeholders. The Board also reviews strategy and financial performance as well as information such as operational and financial risks and regulator priorities. The Board receives this information in advance of each quarterly meeting.

Using all of the above actions, the Board has an overview of engagement with stakeholders, which enables the Directors to comply with their legal duty under section 172 of the Companies Act 2006.

R.B. BISHOPSGATE INVESTMENTS LIMITED

DIRECTORS' REPORT

for the year ended 31 December 2021

Environment

The Company recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by its activities. Initiatives designed to minimise the Company's impact on the environment include safe disposal of waste, recycling and reducing energy consumption.

Disclosures concerning greenhouse gas emissions

Sustainable Operations

R.B. Bishopsgate Investments Limited, as part of Citigroup Inc., has been measuring its environmental footprint for two decades and began reporting on its direct operational impacts in 2002. In 2021, Citi continued its progress to reduce its carbon footprint by continuing to use 100% renewable electricity across its facilities globally. 2021 was a challenging year because of the Covid-19 pandemic continuing to disrupt normal operations but efforts were made to ensure that energy use was minimised on site and that carbon emissions were reduced.

To build on this success and reduce its operational footprint further, Citi is committed to the following goals for increasing its energy efficiency and reducing GHG emissions by 2025, from a 2010 baseline:

- a 45% reduction in location-based GHG emissions (CO₂e)
- a 40% reduction in energy consumption and maintain 100% renewable electricity sourcing
- certifying 40% of floor area to be LEED, WELL or equivalent standard, with a focus on Citi owned building to operate at the highest level of sustainability.

In addition to these 2025 reduction targets, in March 2021 Citi announced its commitment to net zero emissions for its global operations by 2030, which will include Scope 1 and 2 emissions. At this time, we're evaluating our emissions inventory among all Scope 3 categories to determine which are material and which we will have the ability to influence. This exercise will determine the areas of our supply chain that may be included in our net zero operations emissions target.

Citi reports Scope 1, Scope 2 and Scope 3 Business Travel GHG emissions in both its Environmental Impact Report and its CDP response. Citi's global energy consumption and GHG emissions can be found in the annual Environmental, Social and Governance Report. Citi's GHG emissions and environmental data are verified and assured by SGS, a leading third-party inspection, verification, testing and certification company.

Streamlined Energy and Carbon Reporting

The company consumed less than 40,000 kWh of energy during the period and, as such, has not provided the disclosure required by Part 7 of Schedule 7 (disclosures concerning greenhouse gas emissions) of S.I. 2008/410.

Energy efficiency in action

The main sources of greenhouse gases from R.B. Bishopsgate Investments Limited's operations are from the running of data centres, offices and business travel of employees travelling for work. Whether undertaking new construction or renovating existing buildings, Citi prioritise efficiency and sustainability to minimise the environmental impact of its facilities. The below highlights the energy efficiency actions that were undertaken in 2021.

In the Citigroup Centre 2 building:

- Installation of an analytics software "building analytics" which monitors every asset in the building assessing whether it's running according to design/operational requirements and sending alerts to the engineering team on the specific asset that is not performing in line with expectations.
- The chilled water temperature was raised by 1.5 degrees
- Mothballed empty floors, isolating chilled water, tech rooms, VAV boxes and air compartment units

R.B. BISHOPSGATE INVESTMENTS LIMITED

DIRECTORS' REPORT

for the year ended 31 December 2021

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.

Political contributions

The Company made no political contributions or incurred any political expenditure during the year (2020: £nil).

Post balance sheet events

Non-adjusting events

The recent action of Russian military forces and support personnel in Ukraine has escalated tensions between Russia and the U.S., NATO, the EU and the U.K., and was followed by packages of financial and economic sanctions that, in various ways, constrain transactions with numerous Russian entities and individuals. The Company does not have direct exposures in Russia or Ukraine and therefore, has not been directly impacted. The Company continues to monitor the potential indirect macroeconomic impacts from the tensions and conflict in order to mitigate its exposures and risks.

Disclosure of information to auditor

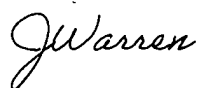
In accordance with section 418 of the Companies Act 2006 and subject to all the provisions of section 418, the Directors who held office at the date of approval of this Directors' Report confirm that:

- so far as each is aware, there is no relevant audit information of which the Company's Auditor is unaware; and
- each Director has taken all the steps that he/ she ought to have taken as a Director to make himself/ herself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

Auditor

In accordance with 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

13 October 2022

Incorporated in England and Wales

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

Registered Number: 02924707

R.B. BISHOPSGATE INVESTMENTS LIMITED

STRATEGIC REPORT

for the year ended 31 December 2021

The Directors present their Strategic Report for R.B. Bishopsgate Investments Limited ('the Company') for the year ended 31 December 2021.

Principal activity

The principal activity of the Company during the year was that of property investment. The Company derives its revenues from its leasehold property held within the United Kingdom.

Company Performance

The Company recorded a profit before tax for the year of £61.9 million (2020: £58.5 million). The increase is mainly due to the new income line of intercompany recharges. The profit for the year, after taxation, amounted to £64.8 million (2020: £48.2 million).

Company Position

The Company's net asset position increased from £1,009 million as at 31 December 2020, to net assets of £1,074 million as at 31 December 2021. The reason for the increase was due to the allocation of the profit of the year to the retained profit and loss account.

Key performance indicators

The Company's Directors consider that the financial results shown above are the key financial performance indicators for the operations of the Company.

Section 172 statement

Section 172(1) of the Companies Act 2006 requires each director of the Company to act in a way in which he/she considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard to a range of matters including:

- the likely consequences of any decision in the long-term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the impact of the Company's operations on the community and the environment;

The directors of the Company give careful consideration to the matters referred to in section 172(1) when discharging their legal duties. As a Board, we believe in taking decisions for the long-term benefit of the Company and look to safeguard the Company's reputation by upholding the highest standards of business conduct. Depending on the issue in question, the relevance of each stakeholder group and other relevant factors may vary. As such, the Board strives to understand the needs and priorities of each stakeholder group and the other factors relevant to the issue in question during its deliberations and as part of its decision-making.

The Board may seek advice about the implications of their legal duties at any time from our Company Secretary. The Company is in the process of developing series of refresher trainings for its current directors, and a comprehensive induction programme for new directors which includes training on their statutory duties.

R.B. BISHOPSGATE INVESTMENTS LIMITED

STRATEGIC REPORT

for the year ended 31 December 2021

Principal risks and uncertainties

The Company seeks to minimise exposure to financial risks. The Company also has exposure to asset risk on the residual value of its investment property which is recognised at historical cost less accumulated depreciation and any impairment.

The directors believe that the principal risk facing the Company is a significant reduction in the market value of the investment property. Despite the uncertainty caused by the UK's decision to withdraw its membership of the European Union, demand for prime commercial assets in London remains strong and the directors have no reason to believe that the market value of the investment property will significantly decline in the foreseeable future. As a result, no impairment triggers were identified.

At present, the directors do not foresee any significant uncertainties in relation to the Company's financial performance over the next 12 months.


Financial risk management

The Company's financial instruments comprise receivable from parent, borrowings, cash and various items such as trade creditors that arise directly from its operations. The main risks arising from the Company's financial instruments are cash flow risk and liquidity risk. The Company has no formal procedures for managing these risks, though the Company continually reviews these risks and takes actions as deemed necessary.

Future outlook

The Company's strategy continues to be to maximise its income from its investment property.

By order of the Board



J Warren

Director

13 October 2022

Incorporated in England and Wales

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

Registered number: 02924707

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF R.B. BISHOPSGATE INVESTMENTS LIMITED

Opinion

We have audited the financial statements of R.B. Bishopsgate Investments Limited ("the Company") for the year ended 31 December 2021, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in Note 2.

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31/12/2021 and of its profit 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").

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.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.
- we have not identified and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

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 above conclusions are 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 as to the company's high-level policies and procedures to prevent and detect fraud,
- Reading Board minutes;
- Using analytical procedures to identify any unusual or unexpected relationships.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF R.B. BISHOPSGATE INVESTMENTS LIMITED

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

Identifying and responding to risks of material misstatement due to fraud (continued)

As required by auditing standards and considering our overall knowledge of the control environment, we performed 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.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted without used ID, those posted and approved by the same user, manual entries with no description, journal entries made to unrelated accounts and journal entries containing key words.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

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.

Whilst The Company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF R.B. BISHOPSGATE INVESTMENTS LIMITED

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and 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 strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

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.
- 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF R.B. BISHOPSGATE INVESTMENTS LIMITED

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.



Richard Pinks
Senior Statutory Auditor
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

15 Canada Square
London
E14 5GL

13 October 2022

R.B. BISHOPSGATE INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2021

	Note	For the year ended 2021 £ 000	For the year ended 2020 £ 000
Turnover	4	78,203	74,822
Administrative expenses	5	<u>(16,283)</u>	<u>(16,215)</u>
Operating profit		61,920	58,607
Interest payable and similar charges	8	<u>(12)</u>	<u>(103)</u>
Profit before income tax		61,908	58,504
Corporation Tax credit / (charge)	9	<u>2,920</u>	<u>(10,293)</u>
Total comprehensive profit for the year		64,828	48,211

All amounts relate to continuing operations.

There were no recognised gains and losses for the period ended on 31 December 2021 or 31 December 2020 other than those included in the Profit and loss account.

The accompanying notes on pages 14 to 23 form an integral part of these financial statements.

R.B. BISHOPSGATE INVESTMENTS LIMITED

BALANCE SHEET

for the year ended 31 December 2021

	Note	31 December 2021 £ 000	31 December 2020 £ 000
Non-current assets			
Investment property	10	1,052,104	1,048,640
Deferred tax assets	9	40,047	32,787
		<hr/> 1,092,151	<hr/> 1,081,427
Current assets			
Cash at bank and in hand	11	86,499	59,981
Amounts due from third parties		1,249	152
Amounts due from group undertakings	12	96,319	76,043
		<hr/> 184,067	<hr/> 136,176
Creditors: amounts falling due within one year	13	(48,754)	(44,666)
		<hr/> 135,313	<hr/> 91,510
Net current assets			
Creditors: amounts falling due after one year	13	(153,648)	(163,949)
		<hr/> 1,073,816	<hr/> 1,008,988
Net assets			
Capital and reserves			
Called up share capital	14	—	—
Profit and loss account	15	1,073,816	1,008,988
		<hr/> 1,073,816	<hr/> 1,008,988
Shareholders' funds			
		1,073,816	1,008,988

The accompanying notes on pages 14 to 23 form an integral part of these financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 13 October 2022 by:



J Warren
Director

Registered Number: 02924707

R.B. BISHOPSGATE INVESTMENTS LIMITED

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2021

	Note	Called up share Capital £ 000	Profit and loss account £ 000	Total equity £ 000
Balance as at 1 January 2020		—	960,777	960,777
Profit for the period		—	48,211	48,211
Comprehensive income for the period		—	48,211	48,211
Balance as at 31 December 2020		—	1,008,988	1,008,988
Balance as at 1 January 2021		—	1,008,988	1,008,988
Profit for the period		—	64,828	64,828
Comprehensive income for the period		—	64,828	64,828
Balance as at 31 December 2021	14, 15	—	1,073,816	1,073,816

The accompanying notes on pages 14 to 23 form an integral part of these financial statements.

R.B. BISHOPSGATE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. General information

R.B. Bishopsgate Investments Limited is a limited liability company incorporated in England and Wales. Its principal place of business was 33 Davies Street, London W1K 4LR until 12 April 2019. On 12 April 2019, the Company changed its registered office and principal place of business to Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB.

The continuing activity of the Company is investment in property in London, United Kingdom.

2. Principal accounting policies

The accounting policies have been applied consistently throughout the current and preceding year.

2.1 Basis of presentation

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 advantage of the following disclosure exemptions available under FRS 101:

- the requirement in paragraph 38 of IAS 1 'Presentation of financial statements' to present comparative information in respect of paragraph 73(e) of IAS 16 Property, Plant and Equipment and of paragraphs 76 and 79(d) of IAS 40 'Investment Property';
- the requirements of IAS 7 'Statement of cash flows';
- the requirement in paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors';
- the requirements of IAS 24 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- the requirements of paragraphs 17 and 18A of IAS 24 that relate to transactions with key management personnel;
- the requirements of IFRS 7 'Financial Instruments: Disclosures'
- and the requirements of IFRS 13 'Fair Value Measurement'.

The functional and financial statements presentational currency of the Company is Pound Sterling (£) and all values are rounded to the nearest thousands, 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 policies have been applied consistently throughout the current and preceding year.

The financial statements are prepared on a going concern basis. The Directors are satisfied that the Company has the resources to continue in business for the foreseeable future. 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.

R.B. BISHOPSGATE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

2. Principal accounting policies (continued)

2.2 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 2021. They include:

- Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4, and IFRS 16) - Phase 2
- COVID-19 Related Rent Concessions (Amendments to IFRS 16, Leases)
- Amendments to IAS 1, Presentation of financial statements' on classification of liabilities

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

2.3 Turnover

Turnover represents rental income receivable, amounts from group undertakings and amortisation of deferred income, which are recognised on a straight line basis over the life of the lease.

2.4 Investment Property

Investment property comprises the leasehold property of Citigroup Centre 2 ('CGC2'), 25 Canada Square, Canary Wharf, London. Property held under a lease is classified as investment property when it is held to earn rentals or for capital appreciation or both, rather than for sale in the ordinary course of business or for use in production or administrative functions.

The Company has elected to measure the investment property using a cost model, i.e. to be carried at historical cost less accumulated depreciation and impairment. Any subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred. Depreciation is calculated on a straight line basis to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold building	- 50 years
Land	- Unlimited

At each reporting date, the Company assesses whether there is any indication that its investment property is to be impaired. The investment property is tested for impairment annually or more frequently if events or changes in circumstance indicate that it might be impaired. An impairment loss is recognised if the investment property's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the investment property's fair value less costs of disposal and value in use. Impairment losses are recognised in the profit and loss account.

Investment property is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other operating income in the income statement in the year the asset is derecognised. In determining the amount of consideration to be included in the gain or loss arising from the derecognition of investment property, the Company considers the effects of variable consideration, the existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any) in accordance with the requirements for determining the transaction price in IFRS 15.

2.5 Cash and cash equivalents

Cash is represented by cash at bank and in hand. The Company holds no cash equivalents.

R.B. BISHOPSGATE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

2. Principal accounting policies (continued)

2.6 Financial instruments

The Company enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and events subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

2.7 Derecognition of financial assets and liabilities

Financial assets are derecognised when the right to receive cash flow from assets has expired or the Company has transferred substantially all the risks and rewards of ownership or, in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

2.8 Leases - as lessor

The Company determines at lease inception whether or not each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership to the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether or not the lease is for the major part of the economic life of the asset.

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 Dividends

Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.11 Current and deferred 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. 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 sufficient 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. As the Company has elected to measure the investment property using a cost model, the Initial Recognition Exemption is deemed to apply such that no deferred tax is recognised on the investment property.

R.B. BISHOPSGATE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

3. Use of assumptions, estimates and judgements

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the period. However, the nature of estimation means that actual outcomes could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. The following judgments have had the most effect on amounts recognised in the financial statements:

Impairment of investment property

Judgements are applied in estimating the impairment losses on investment property which should be recorded in the income statement. Please refer to Note 2.4 for inputs, assumptions and estimating techniques for impairment of investment property.

Deferred tax

The Company's accounting policy for the recognition of deferred tax assets is described in Note 2.11 – 'Principal accounting policies'. A deferred tax asset is recognised to the extent that it is probable that suitable future taxable profits will be available against which deductible temporary differences can be utilised. The recognition of a deferred tax asset relies on management's judgements surrounding the probability and sufficiency of suitable future taxable profits, future reversals of existing taxable temporary differences and planning strategies.

The amount of the deferred tax asset recognised is based on the evidence available about conditions at the statement of financial position date, and requires significant judgements to be made by management, especially those based on management's projections of business growth, credit losses and the timing of a general economic recovery. Management's forecasts support the assumption that it is probable that the future results of the Company will generate sufficient suitable taxable income to utilise the deferred tax assets.

4. Turnover

	31 December 2021 £ 000	31 December 2020 £ 000
Rental income	47,879	47,879
Amounts from group entities for provisions of property services	20,024	16,643
Deferred lease premium	10,300	10,300
	<u>78,203</u>	<u>74,822</u>

All turnover arose within the United Kingdom.

The future aggregate minimum rentals receivable under non-cancellable operating leases are as follows:

	31 December 2021 £ 000	31 December 2020 £ 000
Less than one year	47,879	47,879
Between one and five years	191,516	191,516
More than five years	521,881	569,760
	<u>761,276</u>	<u>809,155</u>

R.B. BISHOPSGATE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

5. Administrative expenses

	31 December 2021 £ 000	31 December 2020 £ 000
Administrative expenses include:		
Legal fee	60	98
Auditor's remuneration	(252)	127
Depreciation expense (Note 10)	15,990	15,990
Repairs	485	—

Audit fees for these financial statements are borne and paid by Citibank N.A., and consequently previously accrued audit fee expenses have been reversed.

6. Directors' remuneration

	31 December 2021 £ 000	31 December 2020 £ 000
Aggregate emoluments	158	172
Contributions to money purchase pension scheme	12	13
	<u>170</u>	<u>185</u>

Contributions to money purchase pension schemes are accruing to three (2020: three) of the Directors. Contributions to defined benefit pension schemes are accruing for no Directors (2020: none). Three of the Directors of the Company participate in parent company share plans (2020: two).

The remuneration of the highest paid Director was £148,396 (2020: £152,529) and accrued pension of £12,106 (2020: £12,139).

The Directors benefit from qualifying third party indemnity provisions in place during the financial year and at the date of this report. The above remuneration is based on the apportionment of time incurred by the Directors for services to the Company, both in their capacity as a Director and, where applicable, their normal employment. The cost of Directors' emoluments are borne by other group undertakings.

7. Auditors' remuneration

	31 December 2021 £ 000	31 December 2020 £ 000
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	<u>137</u>	<u>127</u>

R.B. BISHOPSGATE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

8. Interest receivable, interest payable and similar charges

	31 December 2021 £ 000	31 December 2020 £ 000
Interest payable and similar charges		
Bank interest payable	12	103
	<u>12</u>	<u>103</u>

9. Taxation

a) Analysis of tax charge in the year

	31 December 2021 £ 000	31 December 2020 £ 000
Current tax		
Total current tax	7,015	7,284
Adjustment in respect of prior years	(2,675)	65
Total current tax	<u>4,340</u>	<u>7,349</u>
Deferred tax		
Origination and reversal of timing differences	2,053	6,889
Changes to tax rates	(9,028)	(4,176)
Adjustment in respect of prior years	(285)	232
Total deferred tax	<u>(7,260)</u>	<u>2,945</u>
Tax (credit) / charge	<u>(2,920)</u>	<u>10,293</u>

b) Factors affecting tax (credit) / charge for the year

	31 December 2021 £ 000	31 December 2020 £ 000
Profit / (Loss) before tax	61,908	58,504
Tax on Profit / (Loss) at standard UK tax rate of 19% (2020: 19%)	11,763	11,116
Effects of:		
Tax rate changes	(9,028)	(4,176)
Adjustment in respect of prior years	(2,960)	297
Group relief surrendered for no consideration	(5,744)	—
Expenses not deductible	3,049	3,057
Income tax (credit) / charge (Note 9a))	<u>(2,920)</u>	<u>10,293</u>

R.B. BISHOPSGATE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

9. Taxation (continued)

b) Factors affecting tax (credit) / charge for the year (continued)

The main rate of corporation tax in the UK was 19% from 1 April 2017. Finance Act 2020, which received Royal Assent on 22 July 2020, reversed the reduction in corporation tax such that the rate will remain at 19% from 1 April 2020. On 3 March 2021 in the 2021 Budget, it was announced that the UK corporation tax rate would be increasing to 25% from 1 April 2023. However on 23 September 2022 the Chancellor of the Exchequer announced that the corporation tax rate will remain at 19% from 1 April 2023 - reversing a previously enacted measure to increase the rate to 25%. This reversal in the tax rate from 1 April 2023 has not been enacted or substantively enacted and accordingly has no impact on the tax balances at 31 December 2021. The potential impact of this change on the deferred tax balances at 31 December 2021 would be £(9,028,127).

At 31 December 2021, the company had recognised a deferred tax asset of £40,048,259 (2020: £32,786,831). This has been recognised on the grounds that there is sufficient evidence that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised

c) Deferred taxation

The deferred tax asset is made up as follows:

	31 December 2021 £ 000	31 December 2020 £ 000
Deferred Tax Asset / (Liability) at the beginning of the period	32,787	35,732
Credited to profit or loss	7,260	(2,945)
Deferred Tax Asset / (Liability) at the end of the period	<u>40,047</u>	<u>32,787</u>
	31 December 2021 £ 000	31 December 2020 £ 000
Tax losses carried forward	—	—
Deferred tax on lease premium capitalised	40,217	33,107
Qualifying Leasehold Improvements	(170)	(320)
	<u>40,047</u>	<u>32,787</u>

10. Investment property

	Land and building £ 000
Cost	
At 1 January 2021	1,099,144
Additions	19,454
At 31 December 2021	<u>1,118,598</u>

R.B. BISHOPSGATE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

10. Investment property (continued)

	Land and building £ 000
Depreciation and amortisation	
At 1 January 2021	50,504
Charge for the year	15,990
At 31 December 2021	<u>66,494</u>
Net book value	
At 31 December 2021	<u>1,052,104</u>
At 31 December 2020	<u>1,048,640</u>

The investment property is held on a 999 year lease with 979 years remaining.

Land's value represents 25% of the investment property while the building represents 75%; based on independent valuation performed in December 2018.

	31 December 2021 £ 000	31 December 2020 £ 000
Fair value of the investment property	<u>1,120,000</u>	<u>1,120,000</u>

The fair value of the investment property as at 31 December 2021 and 31 December 2020 was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

11. Cash at bank and in hand

The following amounts are included within cash at bank and in hand.

	31 December 2021 £ 000	31 December 2020 £ 000
Cash at bank held by other group undertakings	<u>86,499</u>	<u>59,981</u>

R.B. BISHOPSGATE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

12. Amounts due from group undertakings

	31 December 2021 £ 000	31 December 2020 £ 000
Amounts owed by parent	28,164	28,164
Amounts owed by group undertakings	68,155	47,879
	<u>96,319</u>	<u>76,043</u>

Amounts owed by group undertakings includes receivables from rentals, as per the lease contract with CIB Properties Ltd. and Citibank N. A., London Branch. No impairment was recognised on Amounts owed by group undertakings.

13. Creditors

Amounts falling due within one year

	31 December 2021 £ 000	31 December 2020 £ 000
Corporation tax payable	11,565	8,953
Account payable	3,481	1,753
Accruals	128	380
Deferred income	10,300	10,300
Bank loans	23,280	23,280
	<u>48,754</u>	<u>44,666</u>

Amounts falling due after more than one year

	31 December 2021 £ 000	31 December 2020 £ 000
Deferred income	153,648	163,949
	<u>153,648</u>	<u>163,949</u>

14. Share capital

	31 December 2021 £	31 December 2020 £
Allotted, called up and fully paid		
100 (2020: 100) ordinary shares of £0.01 each	<u>1</u>	<u>1</u>

R.B. BISHOPSGATE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

15. Reserves

Profit and loss account

Includes all current and prior periods retained profits and losses, less dividends paid.

16. Capital commitments

As at 31 December 2021 the Company was committed to fit out costs in respect of assets in the course of construction of £83,026,660 (2020: £40,222,880).

17. Events after the reporting period

The recent action of Russian military forces and support personnel in Ukraine has escalated tensions between Russia and the U.S., NATO, the EU and the U.K., and was followed by packages of financial and economic sanctions that, in various ways, constrain transactions with numerous Russian entities and individuals. The Company does not have direct exposures in Russia or Ukraine and therefore, has not been directly impacted. The Company continues to monitor the potential indirect macroeconomic impacts from the tensions and conflict in order to mitigate its exposures and risks.

18. Ultimate parent company and parent companies

The Company's immediate parent undertaking is Canada Square Investments Limited , incorporated in England and Wales. The audited financial statements of the immediate 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 Company's ultimate parent company and ultimate controlling party is Citigroup Inc., incorporated in United States of America for which the audited consolidated financial statements 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 www.citigroup.com/citi/corporategovernance/ar.htm.