Citigroup Centre 1 Limited

(Registered Number: 06255166)

ANNUAL REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2021

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CITIGROUP CENTRE 1 LIMITED

DIRECTORS' REPORT

for the year ended 31 December 2021

The Directors present their report and the financial statements of Citigroup Centre 1 Limited ("the Company") for the year ended 31 December 2021.

Business environment

The Company is a wholly owned subsidiary of Citibank Investments Limited ('CIL', 'the parent'). The principal activity of the Company is the provision of office accommodation and related facilities to Citibank N.A. and other subsidiary undertakings of Citigroup Inc. ('Citi', 'the ultimate parent') in the United Kingdom ('the UK group').

In recent years, Citi, as an organisation has continued to make sustained efforts to consolidate office space in a systematically responsible and cost effective manner. At present, Citi's London headquarters comprise a combination of Citigroup Centre 1 ('CGC1'), 33 Canada Square, Canary Wharf, London and Citigroup Centre 2 ('CGC2'), 25 Canada Square, Canary Wharf, London, however post the lease expiry of CGC1 in 2026, Citi's London headquarters will be at CGC2. In line with the future strategy and requirements of the UK group, on 6 July 2018, Citi executed a modification and improvement of the lease terms and conditions of the CGC2 lease resulting in a material reduction in the costs of occupying the building going forward. On the 12 April 2019 Citi purchased CGC2 further reinforcing Citi's long-term intent to occupy CGC2.

Looking forward, the Directors are considering multiple strategic options for the Company.

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.

Going concern

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. The Directors have no plans to change the Company's principal activities.

The Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements. In addition, Citigroup Inc. continues to provide confirmation that it will provide sufficient funding to the Company to ensure that it maintains a sound financial situation and is in a position to meet its debt obligations for the foreseeable future.

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:

K M Harrison-Thomas	(appointed on 18 June 2021)
J R Killey	(resigned on 25 March 2022)
J Warren	

DIRECTORS' REPORT

for the year ended 31 December 2021

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.

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.

CITIGROUP CENTRE 1 LIMITED

DIRECTORS' REPORT

for the year ended 31 December 2021

Disclosures concerning greenhouse gas emissions

Sustainable Operations

Citigroup Centre 1 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. Scope 1 emissions are direct emissions from owned or controlled sources. Scope 2 emissions are indirect emissions from the generation of purchased energy. Scope 3 emissions are all indirect emissions (not included in Scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions. 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 Citigroup Centre 1 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 1 and Citigroup Centre 2 buildings:

- 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

In the Riverdale Data Centre:

- Solar PV installed to supply energy for lighting.
- Temperature monitoring system called "Ekkosense" installed in the data hall on level 4 to monitor temperature at sever height and send feedback to the CRAC units to adjust accordingly.

CITIGROUP CENTRE 1 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).

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

JWarren

J Warren
Director
13 October 2022

Incorporated in England and Wales

Registered Office: Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB
Registered Number: 06255166

CITIGROUP CENTRE 1 LIMITED

STRATEGIC REPORT

for the year ended 31 December 2021

The Directors present their Strategic Report for Citigroup Centre 1 Limited ('the Company') for the year ended 31 December 2021.

Overview and principal activities

The Company holds the lease for Citigroup Centre 1 ('CGC1'), 33 Canada Square, Canary Wharf, London. The building, alongside Citigroup Centre 2 ('CGC2'), 25 Canada Square, acts as Citigroup's EMEA headquarters and contains a significant portion of Citigroup's UK employee base and core business operating activities.

The costs incurred in respect of the building's occupancy are charged to Citigroup businesses by expense allocation and via direct charges on actual space occupied. The Company does not sublet space to any third parties and the only property lease held by the Company is for CGC1.

In recent years, Citi, as an organisation has continued to make sustained efforts to consolidate office space in a systematically responsible and cost effective manner. At present, Citi's London headquarters comprise a combination of CGC1 and CGC2, however post the lease expiry of CGC 1 in 2026, Citi's London headquarters will be at CGC2. In line with the future strategy and requirements of the UK group, on 6 July 2018, Citi executed a modification and improvement of the lease terms and conditions of the CGC2 lease resulting in a material reduction in the costs of occupying the building going forward. On the 12 April 2019 Citi purchased CGC2 further reinforcing Citi's long-term intent to occupy CGC2.

As part of Citigroup's aim to effectively manage its UK resources, management continues to make concerted efforts to utilise its space in the most cost effective manner, in order to achieve its strategic aim of a simpler and more efficient operating model. This strategy has resulted in non-chargeable vacant space existing, for a limited time during the current and prior year, on certain floors within CGC1, as management aims to develop and utilise this space in the most effective way. This strategy has had implications on the level of income achieved by the Company during the current and prior year and this trend is expected to continue to impact the Company in the short term. As Citi's current long term strategy involves CGC2 becoming Citi's London headquarters (post the lease expiry of CGC1), the Company's performance and position will continue to be closely monitored by the Board to ensure that the Company remains solvent and appropriately capitalised as and when UK resources are consolidated into CGC2.

Looking forward, the Directors are considering multiple strategic options for the Company, including utilisation as a UK holding company or other suitable business activity.

Business review

The Company's profit after tax was £7.5 million compared to a £3.4 million loss in the prior year. Profit before tax for 2021 was £8.7 million compared to a loss of £3.3 million in 2020.

Company's performance

	2021	2020
	£ 000	£ 000
Lease income	42,139	45,658
Operating profit/(loss)	11,248	(163)
Profit/(loss) and total comprehensive profit/(loss) for the year	8,693	(3,279)

Turnover

There was a decrease in turnover as the charge rate for standard CGC1 floor space decreased to £7.90 /sq ft/ mth in 2021 compared to £8.61 /sq ft/ mth in 2020.

CITIGROUP CENTRE 1 LIMITED

STRATEGIC REPORT
for the year ended 31 December 2021

Operating Loss

The Company made an operating profit of £11,248 thousands compared to an operating loss of £163 thousands in 2020, mainly due to the significant reversal of the dilapidation provision and the decrease in turnover. Non chargeable space exists within specific areas of CGC1 for a limited time, typically for only a month or two, while it is developed by the Company to be utilised in the most effective way to accommodate Citigroup's strategy going forward.

Balance Sheet

	2021 £ 000	2020 £ 000
Non-current assets	120,537	145,861
Current assets	34,961	33,865
Current liabilities	(18,748)	(18,240)
Net current assets	16,213	15,625
Non-current liabilities	(91,261)	(123,536)
Net assets	45,489	37,950

Net assets of £45.5 million increased by £7.5 million compared to the prior year net assets of £37.9 million.

From 1 January 2019, leases are recognised as a right-of-use (ROU) asset and a corresponding liability at the date at which the leased asset is available for use by the Company. The decrease in non-current assets are mainly driven by the amortisation of the ROU asset during the year.

The decrease in the non-current liabilities relates to the annual review of the dilapidation provision, which resulted in a decrease of £15 million in the dilapidation provision amount.

Principal risks and uncertainties

The principal risks facing the Company are building outages, such as accidental technological failure, electrical or telecommunication outages, failures of computer servers or other damage to CGC1's property or assets, which would prevent the UK employee base from effectively performing their function. Detailed processes are in place to ensure that standards are maintained in relation to all health and safety regulations. Preventative maintenance programs mitigate the inherent risks of building outages. However, in the event of an unexpected outage comprehensive plans exist to ensure Citigroup can continue its normal day-to-day activities.

Key financial and non-financial 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. The ultimate parent manages its operations on a divisional basis and the Company's results are included in the results of the ultimate parent. Key performance indicators have been analysed in the financial statements of the ultimate parent. For that reason, the Directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business.

CITIGROUP CENTRE 1 LIMITED

STRATEGIC REPORT
for the year ended 31 December 2021

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.

Future outlook

As mentioned above, the strategy is to move the UK employee base from CGC1 to CGC2, following the expiry of the CGC1 lease in 2026. This will result in fluctuations of chargeable and non-chargeable space as the Company partners with CGC2 on the most efficient way to migrate staff. Management will continue to monitor the Company's performance and position during this transition.

By order of the Board

JWarren

J Warren
Director
13 October 2022

Incorporated in England and Wales

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

Registered number: 06255166

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF CITIGROUP CENTRE 1 LIMITED

Opinion

We have audited the financial statements of Citigroup Centre 1 Limited ("the Company") for the year ended 31 December 2021, which comprise the Income Statement, Balance Sheet, and Statement of Changes in Equity and related notes, including the 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 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, as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Reading Board minutes;
- Using analytical procedures to identify any unusual or unexpected relationships.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF CITIGROUP CENTRE 1 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, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as provision for dilapidation provision. On this audit we do not believe there is a fraud risk related to revenue recognition due to the lack of fraud risk factors identified.

We did not identify any additional fraud risk.

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 potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, 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

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: certain aspects of company legislation recognising the nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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 MEMBER OF CITIGROUP CENTRE 1 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; 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 pages 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 MEMBER OF CITIGROUP CENTRE 1 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

CITIGROUP CENTRE 1 LIMITED

INCOME STATEMENT
for the year ended 31 December 2021

	Note	2021	2020
		£ 000	£ 000
Lease income	3	42,139	45,658
Operating expenses	4	(30,891)	(45,821)
Operating profit/(loss)		11,248	(163)
Interest payable and similar charges	6	(2,555)	(3,116)
Profit/(loss) before income tax		8,693	(3,279)
Income tax charge	7	(1,154)	(95)
Profit/(loss) and total comprehensive profit/(loss) for the year		7,539	(3,374)

All amounts relate to continuing operations.

There were no recognised gains and losses for 2021 or 2020 other than those included in the Income Statement.

The accompanying notes on pages 15 to 25 form an integral part of these financial statements.

CITIGROUP CENTRE 1 LIMITED

BALANCE SHEET
for the year ended 31 December 2021

	Note	2021	2020
		£ 000	£ 000
Non-current assets			
Tangible fixed assets	8	29,377	32,410
Investment property	9	91,160	113,451
		120,537	145,861
Current assets			
Cash at bank and in hand	10	32,301	20,477
Debtors	11	2,660	13,388
		34,961	33,865
Current liabilities			
Creditors: amounts falling due within one year	12	(435)	(362)
Lease liabilities	15	(18,313)	(17,878)
		(18,748)	(18,240)
Net current assets		16,213	15,625
Total assets, less current liabilities		136,750	161,486
Non-current liabilities			
Provision for liabilities	13	(13,129)	(28,245)
Current tax liabilities	7	(1,234)	—
Deferred tax liabilities	7	(798)	(878)
Lease liabilities	15	(76,100)	(94,413)
		(91,261)	(123,536)
Net assets		45,489	37,950
Capital and reserves			
Called up share capital	14	—	—
Capital reserve		74,000	74,000
Profit and loss account		(28,511)	(36,050)
Total equity		45,489	37,950

The accompanying notes on pages 15 to 25 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 JWarren
Director

Registered Number: 06255166

CITIGROUP CENTRE 1 LIMITED

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2021

	Share Capital	Capital reserves	Profit and loss account	Total
	£ 000	£ 000	£ 000	£ 000
Balance as at 1 January 2020	—	74,000	(32,676)	41,324
Total comprehensive loss for the year	—	—	(3,374)	(3,374)
Balance as at 31 December 2020	—	74,000	(36,050)	37,950
Total comprehensive profit for the year	—	—	7,539	7,539
Balance as at 31 December 2021	—	74,000	(28,511)	45,489

The accompanying notes on pages 15 to 25 form an integral part of these financial statements.

CITIGROUP CENTRE 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. Principal accounting policies

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

1.1 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 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'.

These financial statements have been prepared under the historical cost convention, except where otherwise indicated. 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 policy set out below has, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The risks and uncertainties faced by the Company are discussed further in the Strategic Report on pages 5-7.

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.

1. Principal accounting policies (continued)

1.1 Basis of preparation (continued)

The Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements. In addition, Citigroup Inc. continues to provide confirmation that it will provide sufficient funding to the Company to ensure that it maintains a sound financial situation and is in a position to meet its debt obligations for the foreseeable future.

1.2 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.

1.3 Lease Income

Lease income represents the amounts (excluding value added tax) derived from the provision of office accommodation and related facilities services to third party and group undertakings. Income from office accommodation and related facilities services is recognised in the period in which the service is provided.

1.4 Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold premises improvements	-	Lesser of the life of the lease or 50 years
Building fittings	-	5 to 10 years
Assets in the course of construction	-	No depreciation

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period during which they are incurred.

Property and equipment 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.

Interest costs incurred in funding assets in the course of construction are capitalised on projects where material. Interest ceases to be capitalised when the project is complete and ready for its intended use.

The accounting treatment for right-of-use assets, recognised subsequent to transition to IFRS 16, is described below in Note 1.6.

1. Principal accounting policies (continued)

1.5 Income taxes

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 amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Generally, tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively. 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. Current and deferred tax balances are not discounted.

1.6 Leases

Leases are recognised as a right-of-use (ROU) asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

This policy is applied to contracts entered into, on or after 1 January 2019. At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains a lease if the contract conveys the right to control the use of identified asset for a period of time in exchange for consideration.

The following process is followed when determining if a contract is, or contains a lease:

- Identified Asset - An asset is typically identified by being explicitly specified in a contract. However, an asset also can be identified by being implicitly specified at the time that the asset is made available for use. If the supplier has a substantive substitution right, then the asset is not identified;
- The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use;
- The Company has the right to direct how and for what purpose the identified asset is used throughout the period of use;
- The Company has the right to operate the asset throughout the period of use without the supplier's having the right to change those operating instructions; and
- The Company designed the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use.

The Company recognises a ROU asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the lease commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset, less any incentives received. The ROU assets are classified as investment property as the Company holds them to earn rentals.

If the lease transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the ROU asset reflects that the Company will exercise a purchase option, the Company shall depreciate the ROU asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Company shall depreciate the ROU asset from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term.

Further, the ROU asset is assessed for impairment losses at each reporting period and adjusted for certain remeasurements in the lease liability.

Payments associated with short term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture. The Company does not have any short term or low value leases.

1. Principal accounting policies (continued)

1.6 Leases (continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is the case for leases in the Company, the lessee's incremental borrowing rate (IBR) is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. The IBR is the rate of interest that the Company would have to pay to borrow on a collateralised basis over a similar term an amount equal to the lease payments in a similar economic environment.

Lease payments included in the measurement of the lease liability comprise of the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate as at commencement date; and
- Amounts expected to be payable under a residual guarantee.

The lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured to reflect changes in lease payments caused by a change in index or rate (other than in floating interest rates) and if the Company is reasonably certain to exercise a purchase option, or if there is a change in the amount the Company is expected to pay under a residual value guarantee.

When a lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the ROU asset, or is recorded in profit or loss if the carrying amount of the ROU asset has been reduced to zero.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

1.7 Dilapidation provision

A dilapidation provision has been recognised in 'Provisions for liabilities' in accordance with IAS 37 - 'Provisions, contingent liabilities and contingent assets' in relation to a commitment to make good dilapidations at the end of the lease period. As per IAS 37, a provision should be recognised when (i) an entity has a present obligation (legal or constructive) as a result of a past event, (ii) it is probable that a transfer of economic benefits will be required to settle the obligation;. and (iii) a reliable estimate can be made of the amount of the obligation. Unless these conditions are met, no provision should be recognised. It is necessary that the entity has no realistic alternative to settling the obligation created by the event.

The provision continues to be subsequently remeasured in accordance with IFRIC 1 'Changes in Existing Decommissioning, Restoration and Similar Liabilities') and changes in the liability shall be added to, or deducted from, the cost of the related asset (i.e., the ROU asset) in the current period.

1.8 Impairment of non-financial assets

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

CITIGROUP CENTRE 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. Principal accounting policies (continued)

1.9 Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange at the date of transaction. Monetary assets and liabilities denominated in currencies other than the functional currency are translated into the functional currency using the year end spot exchange rates. Non-monetary assets and liabilities denominated in currencies other than the functional currency that are measured at fair value are translated into the functional currency using the date the fair value was determined. Non-monetary assets and liabilities, denominated in currencies other than the functional currency that are not measured at fair value, have been translated at the relevant historical exchange rates. Any gains or losses on exchange are generally taken to the income statement as incurred.

2. Use of assumptions, estimates and judgements

The results of the Company are sensitive to the accounting policies, assumptions and estimates that underlie the preparation of its financial statements. The accounting policies used in the preparation of the financial statements are described in detail above.

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these 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.

Information about judgements made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in Note 13 – *Provisions for Liabilities.*

3. Lease Income

	2021	2020
	£ 000	£ 000
Amounts receivable from group undertakings	42,139	45,658
	42,139	45,658

All lease income arose within the United Kingdom and related to the investment property.

4. Operating expenses

	2021	2020
	£ 000	£ 000
Operating expenses include:		
Auditor's remuneration	83	77
Income from release of provision	(15,204)	—
Depreciation of tangible fixed assets (Note 8)	7,193	6,381
Depreciation of right-of-use assets (Note 9)	18,540	19,104
Operating lease rentals and other premises expenses	1,497	3,346

There were no employees of the Company, nor any related costs. Operating expenses include recharges for services rendered by Citibank N.A. on behalf of the Company.

5. Directors' remuneration

	2021 £ 000	2020 £ 000
Aggregate emoluments	84	107
Company pension contributions to money purchase pension scheme	6	8
	90	115

Contributions to money purchase pension schemes are accruing to three (2020: three) of the Directors. Contributions to defined benefit pension schemes are accruing to none of the Directors (2020: none). Three of the Directors of the Company (2020: two) participate in parent company share plans.

The remuneration of the highest paid Director was £74,198 (2020: £79,315) and accrued pension of £6,053 (2020: £6,312).

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.

6. Interest payable

	2021 £ 000	2020 £ 000
Interest on lease liability	2,466	2,891
Interest accretion of liability provision (Note 13)	89	225
	2,555	3,116

The interest accretion of liability provision represents the effects of the time value of money specific to the dilapidation obligation provision.

7. Taxation

7a. Analysis of tax charge in the year:

	2021 £ 000	2020 £ 000
Current tax		
Total current tax	1,234	—
Deferred tax		
Change in tax rate	120	92
Origination and reversal of temporary differences	(200)	3
Movement of total deferred tax (Note 7c)	(80)	95
Taxation for the year	1,154	95

7. Taxation (continued)

7b. Factors affecting tax charge for the year:

	2021	2020
	£ 000	£ 000
Loss before tax	8,693	(3,279)
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2020: 19%)	1,652	(623)
Effects of:		
Expense not deductible for tax purposes	342	304
Non-taxable income	(926)	—
Losses surrendered for nil consideration	(34)	322
Adjustment due to change in tax rate	120	92
Income tax charge (Note 7a)	1,154	95

Factors that may affect future tax charges

The main rate of corporation tax in the UK was 19% from 1 April 2017. Finance Act 2020, which was enacted on 22 July 2020, reversed a previously enacted reduction in the main rate of corporation tax to 17%. 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, which was enacted on 10 June 2021 as part of Finance Act 2021. 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 £119,610.

7c. Deferred taxation:

	2021	2020
	£ 000	£ 000
At beginning of year	(878)	(783)
Charged for the year	200	(3)
Change in tax rate	(120)	(92)
At end of year	(798)	(878)

The deferred tax liability is made up as follows:

	2021	2020
	£ 000	£ 000
Accelerated capital allowances	(798)	(878)

The main rate of corporation tax in the UK was 19% from 1 April 2017. Finance Act 2020, which was enacted on 22 July 2020, reversed a previously enacted a reduction in the main rate of corporation tax to 17%. The corporation tax rate will increase from 19% to 25% on 1 April 2023, as announced as part of the March 2021 Spring Budget and enacted on 10 June 2021.

CITIGROUP CENTRE 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

8. Tangible fixed assets

	Building improvements & fittings £ 000	Assets in the course of construction £ 000	Total £ 000
Cost			
At 1 January 2021	89,050	92	89,142
Additions	—	3,733	3,733
Transfer from other group companies	497	—	497
Disposals	13,899	—	13,899
Transfer between classes	1,527	(1,527)	—
At 31 December 2021	104,973	2,298	107,271
Depreciation and amortisation			
At 1 January 2021	56,732	—	56,732
Charge for the year	7,193	—	7,193
Transfer from other group companies	70	—	70
Disposals	13,899	—	13,899
At 31 December 2021	77,894	—	77,894
Net book value			
At 31 December 2021	27,079	2,298	29,377
At 31 December 2020	32,318	92	32,410

No impairment was recognised in relation to tangible fixed assets as at 31 December 2021 (2020: £nil).

There were no capitalised borrowing costs related to the acquisition of fixed assets during the year (2020: £nil).

9. Investment property

The ROU assets are classified as investment property as the Company holds them to earn rentals.

	Right-of-use assets £ 000
Cost	
At 1 January 2021	152,374
Remeasurement of restoration costs (Note 15)	(3,751)
At 31 December 2021	148,623
Depreciation and amortisation	
At 1 January 2021	38,923
Charge for the year	18,540
At 31 December 2021	57,463
Net book value	
At 31 December 2021	91,160
At 31 December 2020	113,451

No impairment was recognised in relation to the ROU asset as at 31 December 2021.

9. Investment property (continued)

	31 December 2021 £ 000	31 December 2020 £ 000
Fair value of the investment property	91,160	113,451

The carrying value of the right of use asset is a reasonable approximation of its fair value, as the lease was executed at arm's length, with periodic rent reviews reflecting market rates. In addition, the Company's current use of a non-financial asset is presumed to be its highest and best.

The fair value of the investment property as disclosed above is based on a valuation performed by the Company, and not on a valuation by an independent valuer.

10. Cash at bank and in hand

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

	2021 £ 000	2020 £ 000
Cash at bank held by other group undertakings	32,301	20,477

11. Debtors due within one year

	2021 £ 000	2020 £ 000
Amounts due from group undertakings	2,660	13,388
	2,660	13,388

Amounts due from group undertakings relate to management recharges due from Citibank N.A.. The receivable of £2.7 million was settled subsequently in February 2022.

12. Creditors due within one year

	2021 £ 000	2020 £ 000
Amounts due to group undertakings	(435)	(362)
	(435)	(362)

Amounts due to group undertakings relate to other operating costs paid by other group companies on the Company's behalf.

CITIGROUP CENTRE 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

13. Provisions for liabilities

	2021 £ 000	2020 £ 000
As at 1 January	28,245	27,637
Interest accretion during the year charged to interest expense (Note 6)	89	225
Revision of provision calculation	(15,205)	383
As at 31 December	13,129	28,245

In line with the requirements of IAS 37 - *'Provisions, contingent liabilities and contingent assets'*, the Company updates the market rates used to estimate the present value of its asset retirement and dilapidation obligation at each reporting date. An annual review of the appropriateness of future cash flows and the discount rate has resulted in a revision of the provision calculation in prior year. In 2021, the Company renegotiated the scope of its asset retirement and dilapidation obligation with the third party lessor, which resulted in a significant release of the provision. The obligation was partially settled in June 2022, in the amount of £8.9 million.

14. Called up share capital

	2021 £	2020 £
Allotted, called up and fully paid		
1 ordinary share of £1	1	1

15. Leases

Information about leases for which the Company is a lessee is presented below.

Right-of-use assets

	2021 £ 000	2020 £ 000
Balance at 1 January 2021	113,451	132,172
Depreciation charge for the year	(18,540)	(19,104)
Remeasurement of restoration costs (Note 9)	(3,751)	383
Balance at 31 December 2021	91,160	113,451

Lease liabilities

Maturity analysis	31 December 2021 £ 000	31 December 2020 £ 000
Expiring:		
– within one year	18,313	17,878
– between one and five year	76,100	75,971
– in five years and more	—	18,442
Total discounted lease liabilities at 31 December	94,413	112,291

Total cash outflow for the leases amounted to £20,344,032 (2020: £20,344,032).

CITIGROUP CENTRE 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

15. Leases (continued)

Amounts recognised in profit or loss

Leases under IFRS 16	**2021** **£ 000**	**2020** **£ 000**
Interest on lease liabilities	2,466	2,891

16. Capital reserves

Capital reserves relate to capital contributions received from the Company's parent and are fully distributable. The Company has not received any capital contribution during the financial year (2020: £nil).

17. 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 £5.7 million (2020: £5.2 million).

18. Ultimate parent company and parent companies

The Company's immediate parent undertaking is Citibank 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.

19. 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.