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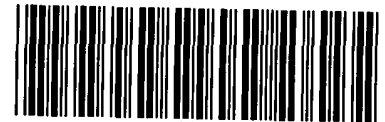
# EMI GROUP GLOBAL LIMITED

Registered Number: 7509551

## ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2020

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# EMI GROUP GLOBAL LIMITED



## DIRECTORS' REPORT

for the year ended 31 March 2020

The Directors present their Report and the audited financial statements of EMI Group Global Limited (the Company) for the year ended 31 March 2020.

### Principal activities and business review

The Company was incorporated on 28 January 2011 with the sole purpose being to hold Citi's investment in EMI Group Worldwide Holdings Limited. In 2012 EMI Group Worldwide Holdings Limited was sold and after the expiry of the representations and warranties offered under the terms of the sale, the Directors will consider multiple strategic options for the company.

During the current and prior year, the main activity of the Company was to provide an intercompany credit facility to another Citigroup company.

The Directors have satisfied themselves that the Company has adequate resources to continue in operation for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

### Profit

The current year profit before tax of the Company amounted to \$2,544 thousands (2019: \$20,776 thousands). The decrease was driven by interest earned on loans and advances from other Citigroup companies of \$2,579 thousands (2019: \$20,779 thousands), due to the lower loan amount.

### Balance sheet

Total assets of \$132,275 thousands as at 31 March 2020 were 2 per cent more than as at 31 March 2019 (\$129,695 thousands). The increase is insignificant compared to last year.

### Dividends

No dividends were paid during the year (2019: \$700,000 thousands) and the Directors do not recommend the payment of a final dividend for the year (2019: \$nil).

### Strategic Report

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

### 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.

### Events after the reporting period

A novel strain of coronavirus (COVID-19) that first surfaced in China was classified as a pandemic by the World Health Organization on 11 March 2020, impacting countries globally. The potential impacts from COVID-19 remain uncertain, including, among other things, on economic conditions, businesses and consumers.

This is a non-adjusting event and it is not expected to have any material financial effects to the Company.

### 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 any potential effects of the pandemic COVID-19.

# EMI GROUP GLOBAL LIMITED



## DIRECTORS' REPORT

for the year ended 31 March 2020

### Directors

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

C B P Beauchamp  
D I Sharland (resigned on 23 August 2019)  
J Warren (appointed on 23 August 2019)

### Directors' indemnity

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

### Statement of Directors' Responsibilities in Respect of the Directors' Report and the Financial Statements

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), 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 judgements 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.

### Employees

The Company had no employees during the current or preceding year. Services are provided to the Company by employees of other Citigroup companies.

### Political contributions

No political donations were made during the year (2019: \$nil).

# EMI GROUP GLOBAL LIMITED

## DIRECTORS' REPORT

for the year ended 31 March 2020

### 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 are unaware; and
- each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's Auditor are aware of that information.

### Auditor

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

This report was approved by the board and signed on its behalf.

DocuSigned by:  
  
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C B P Beauchamp  
Director

20 November 2020

Registered in England and Wales

Registered Office: Citigroup Centre, 25 Canada Square, Canary Wharf, London E14 5LB

Registered Number: 7509551

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF EMI GROUP GLOBAL LIMITED

## Opinion

We have audited the financial statements of EMI Group Global Limited ("the Company") for the year ended 31 March 2020 which comprise the income statement, balance sheet, statement of changes in equity and related notes, including the principal accounting policies in Note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2020 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").

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

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

## Directors' report

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

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

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

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF EMI GROUP GLOBAL LIMITED

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

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

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

We have nothing to report in these respects.

## Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

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

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Richard Pinks (Senior Statutory Auditor)**

**for and on behalf of KPMG LLP, Statutory Auditor**  
Chartered Accountants

15 Canada Square  
London  
E14 5GL  
20 November 2020

# EMI GROUP GLOBAL LIMITED



## INCOME STATEMENT for the year ended 31 March 2020

	Note	2020 \$000	2019 \$000
Interest income	4	2,579	20,779
<b>Total interest income</b>		<b>2,579</b>	<b>20,779</b>
Other operating (expense)/income		(14)	20
Net fee and commission income		2	-
Administrative expenses		(23)	(23)
<b>Profit before income tax</b>		<b>2,544</b>	<b>20,776</b>
Income tax credit/(expense)	5	3,553	(3,946)
<b>Profit for the financial year</b>		<b>6,097</b>	<b>16,830</b>

There was no other comprehensive income or losses for 2020 or 2019 other than those included in the Income Statement.

The accompanying notes on pages 10 to 14 form an integral part of these financial statements.

# EMI GROUP GLOBAL LIMITED

## BALANCE SHEET

As at 31 March 2020

	Note	2020 \$000	2019 \$000
<b>Non-current assets</b>			
Loans and advances to other Citigroup companies	6	100,000	100,000
		<u>100,000</u>	<u>100,000</u>
<b>Current assets</b>			
Cash and cash equivalents	7	32,230	29,547
Other assets		45	148
		<u>32,275</u>	<u>29,695</u>
<b>Total assets</b>		<u><b>132,275</b></u>	<u><b>129,695</b></u>
<b>Liabilities</b>			
Other liabilities	8	3,049	6,566
		<u>3,049</u>	<u>6,566</u>
<b>Total liabilities</b>		<u><b>3,049</b></u>	<u><b>6,566</b></u>
<b>Equity shareholders' funds</b>			
Share capital	9	-	-
Share premium		1,452	1,452
Retained earnings		127,774	121,677
		<u>129,226</u>	<u>123,129</u>
<b>Total equity shareholders' funds</b>		<u><b>129,226</b></u>	<u><b>123,129</b></u>
<b>Total liabilities and equity shareholders' funds</b>		<u><b>132,275</b></u>	<u><b>129,695</b></u>

The accompanying notes on pages 10 to 14 form an integral part of these financial statements.

These financial statements were approved by the Board of Directors and were signed on its behalf on 20 November 2020.

DocuSigned by:

*Charlie Beauchamp*

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C B P Beauchamp  
Director

Registered Number: 7509551



## EMI GROUP GLOBAL LIMITED

### STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2020

	Share capital	Share Premium	Retained earnings	Total
	\$000	\$000	\$000	\$000
<b>Balance at 31 March 2018</b>	-	1,452	804,847	806,299
Dividend paid	-	-	(700,000)	(700,000)
Profit for the year	-	-	16,830	16,830
<b>Balance at 31 March 2019</b>	-	1,452	121,677	123,129
Profit for the year	-	-	6,097	6,097
<b>Balance at 31 March 2020</b>	-	1,452	127,774	129,226

The accompanying notes on pages 10 to 14 form an integral part of these financial statements.

# EMI GROUP GLOBAL LIMITED



## NOTES TO THE FINANCIAL STATEMENTS

### 1. Principal accounting policies

#### a) Basis of presentation

The Company prepares its financial statements 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 Financial Reporting Standards as adopted by the EU (“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 the exemption available under FRS 101 not to disclose all transactions with other group companies and investees of the group qualifying as related parties. It has also taken the exemption available under FRS 101 not to disclose a cash flow statement, the effects of new but not yet effective IFRSs and the disclosure requirements of IFRS 7 - '*Financial Instruments: Disclosures*' and IFRS 13 - '*Fair Value Measurement*'.

These financial statements have been prepared under the historical cost convention except where otherwise indicated. The financial statements are presented in US dollars (\$) and all values are rounded to the nearest thousand dollars except where otherwise indicated.

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

The financial statements are prepared on a going concern basis, considering a wide range of information relating to present and future conditions, including any potential effects of the pandemic COVID-19.

#### b) Changes in accounting policy

##### *Standards issued and effective*

##### **A. IFRS 16 – Leases**

IFRS 16 – *Leases*. In January 2016, the IASB issued IFRS 16, which sets out the principles for the recognition, measurement, presentation and disclosure of leases. The standard removes the current requirement for lessees to classify leases as finance leases or operating leases by introducing a single lessee accounting model that requires the recognition of lease assets and lease liabilities on the balance sheet for most leases. Lessees will also recognise depreciation expense on the lease asset and interest expense on the lease liability in the income statement. There are no significant changes to lessor accounting aside from enhanced disclosure requirements. The change in accounting standard did not have any impact on the Company, as it does not enter into lease arrangements.

##### **B. IFRIC 23 – Uncertainty over Income Tax Treatments**

IFRIC 23 – *Uncertainty over Income Tax Treatments*. The interpretation provides requirements that add to the requirements in IAS 12 – *Income Taxes* by specifying how to reflect the effects of uncertainty in accounting for income taxes. The interpretation did not have any impact on the Company.

#### c) Functional and presentation currency

The financial statements are presented in US dollars (\$), which is the functional and presentation currency of the Company.

# EMI GROUP GLOBAL LIMITED



## NOTES TO THE FINANCIAL STATEMENTS

### 1. Principal accounting policies (continued)

#### d) Interest income

Interest income on financial assets are recognised in the income statement using the effective interest rate method. The effective interest rate (EIR) is the rate that exactly discounts estimated future cash payments or receipts through the expected life of financial instruments to:

- the gross carrying amount if the financial assets; or
- the amortised cost of the financial liability

In calculating interest income, the effective interest rate applied to the gross carrying amount of the asset (when the asset is not credit impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

#### e) Financial assets and liabilities

##### *Loans and advances and other assets*

Loans and advances and other assets consist of non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Company does not intend to sell immediately or in the near term. They are initially recognised at fair value at trade date including direct and incremental transaction costs and subsequently measured at amortised cost. Loans are recognised when cash is advanced to borrowers. Loans and advances are classified and measured at amortised cost under IFRS 9 unless they failed the business model or SPPI test.

#### f) Derecognition of financial assets and liabilities

Financial assets are derecognised when the right to receive cash flows from assets has expired or the Company has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised when they are extinguished, that is, when the obligation is discharged, cancelled or expires.

#### g) 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.

#### h) Cash and cash equivalents

Cash and cash equivalents comprise balances with original maturity of less than three months.

#### i) Foreign currencies

The financial statements are presented in US dollars (\$), which is the functional currency of the Company. At the balance sheet date foreign currency monetary assets and liabilities are translated at the year-end rates of exchange. Non-monetary assets and liabilities measured at historical cost are translated at the exchange rate at the date of the transaction. Non-monetary assets and liabilities measured at fair value are translated at the exchange rate at the date fair value was determined. Any foreign exchange gains and losses are generally taken to the income statement.

# EMI GROUP GLOBAL LIMITED



## NOTES TO THE FINANCIAL STATEMENTS

### 1. Principal accounting policies (continued)

#### j) Contingent liabilities

The Company recognises a contingent liability when there is a possible future obligation depending on the occurrence of some uncertain future event; or where there is a present obligation but payment is not probable or the amount cannot be measured reliably.

#### k) Impairment of financial assets

Under IFRS 9, the same impairment model is applied to all financial assets, except for: (a) debt investments classified or designated as FVTPL, and (b) equity investments, which are not subject to impairment assessment. The scope of the IFRS 9 expected credit loss (ECL) impairment model includes amortised cost financial assets, debt securities classified as FVOCI, and off-balance sheet loan commitments and financial guarantees which were previously provided for under IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*.

The estimation of an ECL is required to be unbiased and probability weighted, including information about past events, current conditions and reasonable and supportable forecasts of future events and economic conditions at the reporting date. The estimate also considers the time value of money.

IFRS 9 has three 'stages' for impairment recognition, whereby the measure of expected credit losses, and the interest income recognition, differs depending on the change in credit risk of the financial asset since initial recognition.

Due to the nature of business activities and the financial assets on the Company's balance sheet the recognition of incremental expected credit losses has a minimal impact. Therefore, for the vast majority of its exposures the Company has taken advantage of the practical expedient allowed by IFRS 9 in which lifetime expected credit losses are recognised irrespective of changes in credit risk (i.e. other assets).

### 2. Use of assumptions and estimates

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.

### 3. Auditor's remuneration

Auditors' remuneration for these financial statements is \$22,765 borne by another group company (2019: \$23,068).

### 4. Interest income

	2020	2019
	\$000	\$000
Interest income	2,579	20,779

Interest income was \$2,579 thousands (2019: \$20,779 thousands), which related to interest accrued on a placement held at another Citigroup company. The decrease in interest income is the result of the lower amount of placement compared to prior year.

# EMI GROUP GLOBAL LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

### 5. Taxation

#### a) Analysis of tax (credit)/charge for the year

	2020 \$000	2019 \$000
<b>Current tax</b>		
UK corporation tax (credit)/charge on profit for the year	(3,553)	3,946
<b>Deferred tax</b>		
Deferred tax for the year	-	-
<b>Tax (credit)/charge on profit</b>	<u>(3,553)</u>	<u>3,946</u>

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

	2020 \$000	2019 \$000
<b>Profit before income tax</b>	2,544	20,776
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019: 19%)	483	3,947
<b>Effects of:</b>		
Adjustments in respect of prior years	(3,868)	3
Expenses not deductible	3	-
Income not taxable	-	(4)
FX on tax	(171)	-
<b>Current tax (credit)/charge for the year (Note 5a)</b>	<u>(3,553)</u>	<u>3,946</u>

The main rate of corporation tax in the UK has been 19% from 1 April 2017. The Finance Act 2016, which was enacted on 15 September 2016, reduced the main rate of corporation tax to 17% with effect from 1 April 2020. The 2020 Budget removed the reduction to 17% such that the rate remains at 19%.

### 6. Loans and advances to other Citigroup companies

	2020 \$000	2019 \$000
Loans and advances to other Citigroup companies	<u>100,000</u>	<u>100,000</u>

# EMI GROUP GLOBAL LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

### 7. Cash and cash equivalents

	2020 \$000	2019 \$000
Amounts due on demand:		
Cash and cash equivalents	32,230	29,547

### 8. Other liabilities

	2020 \$000	2019 \$000
Amounts due to group undertakings	178	2,635
Corporation tax payable	2,871	3,931
	3,049	6,566

Amounts owed to group undertakings consist of corporation tax obligation paid by Citibank NA and audit fees payable to Citigroup Global Markets Limited.

### 9. Share capital

	2020 \$000	2019 \$000
Allotted, called-up and fully paid		
100 ordinary shares of £1 each (2019: 100 ordinary shares of £1 each)	-	-

### 10. Directors' remuneration

Directors' emoluments during the year totalled \$nil in respect of their services to the Company (2019: \$nil).

### 11. Contingent liabilities

As at 17 December 2014, certain statutory and contractual claims have been asserted against the Company by third parties. At this time, insufficient information has been provided to the Company to allow it reasonably to estimate the validity or otherwise of these claims. The Directors have assessed the outstanding contingent claims in conjunction with internal and external legal counsel and believe them not to be material to the operations of the Company.

### 12. Parent companies

The Company is a wholly owned subsidiary undertaking of Citi Investments Bahamas Ltd., a company registered at 110 University Drive, Nassau, Bahamas.

The largest group in which the results of the Company are consolidated is that headed by Citigroup Inc., a company registered at 1209 Orange Street, Wilmington, New Castle, DE 19810, United States of America. Copies of these group accounts are made available to the public annually in accordance with Securities and Exchange Commission regulations and may be obtained from [www.citigroup.com/citi/corporategovernance/ar.html](http://www.citigroup.com/citi/corporategovernance/ar.html).

### 13. Events after the reporting period

A novel strain of coronavirus (COVID-19) that first surfaced in China was classified as a pandemic by the World Health Organization on 11 March 2020, impacting countries globally. The potential impacts from COVID-19 remain uncertain, including, among other things, on economic conditions, businesses and consumers.

This is a non-adjusting event and it is not expected to have any material financial effects to the Company.