

Powell Duffryn Limited
Annual report and financial statements
for the year ended 31 March 2011

Registered number 00298073

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Powell Duffryn Limited

Annual report and financial statements

for the year ended 31 March 2011

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Powell Duffryn Limited

Directors' report for the year ended 31 March 2011

The directors of Powell Duffryn Limited (the "Company") present their annual report and audited financial statements of the Company for the year ended 31 March 2011

Principal activities and future developments

The principal activity of the Company is that of an investment holding company empowered to acquire and hold shares and other securities. No significant changes in the income or operations of the Company have occurred during the year or are expected to occur in the foreseeable future.

Business review

The Company continued the process of rationalising the group structure in 2011. The Company made a profit for the financial year of £552,000 (2010 profit of £6,306,000). The directors do not recommend the payment of a dividend in the year to 31 March 2011 (2010 £nil).

Principal risks and uncertainties

The business risks affecting the Company are managed at a group level and the directors assess this as reasonable given the Company is a holding company and does not have any other operations outside of the group to which it belongs.

Key performance indicators ("KPIs")

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Financial risk management

Given the straightforward nature of the business, the Company's directors are of the opinion that it is not exposed to any significant financial risks.

Post balance sheet events

On 15 February 2011, the Company's indirect subsidiary Hamworthy Engineering Limited contracted to sell its investment in Hamworthy Combustion Engineering Limited. There were onerous conditions precedent in the contract, which completed on 20 May 2011. A new inter-company balance has arisen as a result of the sale where a loan payable is owed to the Company's affiliate Powell Duffryn (USA) Limited from the Company.

On 23 May 2011, the Company received an interim dividend in the sum of £85,120,000 from the Company's subsidiary, Powell Duffryn Investments Limited.

Directors

The directors who held office during the year and up to the date of signing the financial statements were as follows:

J F Soden	(Resigned 31 May 2011)
A Lea	(Resigned 21 March 2011)
V P Fandozzi	(Appointed 31 May 2011, Resigned 30 September 2011)
M A Livingstone	(Appointed 30 September 2011)
R G Lee	

Powell Duffryn Limited

Statement of directors' responsibilities

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 the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 accounting 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' indemnities

The Company has provided a qualifying third party indemnity provision for the purposes of the Companies Act 2006. This indemnity is being provided for the company secretary and anyone who was a director of the Company at any time during the financial year and up to the date of approval of the directors' report.

Disclosure of information to auditors

Each of the persons who is a director at the date of this approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board



R G Lee
Company secretary
02 December 2011

Powell Duffryn Limited

Independent auditors' report to the members of Powell Duffryn Limited

We have audited the financial statements of Powell Duffryn Limited for the year ended 31 March 2011 which comprise the profit and loss account, the balance sheet, the statement of accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Powell Duffryn Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us 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



Michael Newman (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
2 December 2011

Powell Duffryn Limited

Profit and loss account for the year ended 31 March 2011

		2011	2010
	Note	£'000	£'000
Administrative expenses		(1,452)	(55,947)
Operating loss	1	(1,452)	(55,947)
Income from share in group undertakings		2,000	62,252
Interest receivable and similar income	3	4	1
Profit on ordinary activities before tax		552	6,306
Tax on profit on ordinary activities	4	-	-
Profit for the financial year	11	552	6,306

All results relate to continuing operations

There is no difference between the profit on ordinary activities before tax and the profit for the financial year stated above and their historical cost equivalents

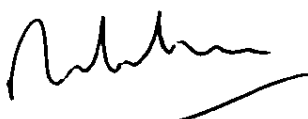
There are no recognised gains and losses in the year other than those included above and therefore no separate statement of total recognised gains and losses has been presented

Powell Duffryn Limited

Balance sheet as at 31 March 2011

	Note	2011 £'000	2010 £'000
Fixed assets			
Investments	5	338,846	339,170
Current assets			
Debtors	6	30,261	25,416
Cash at bank and in hand		2,924	3,462
		33,185	28,878
Creditors: amounts falling due within one year	7	(212,885)	(210,054)
Net current liabilities		(179,700)	(181,176)
Total assets less current liabilities		159,146	157,994
Creditors: amounts falling due after more than one year	8	(1,800)	(1,800)
Provisions for liabilities	9	(2,847)	(2,247)
Net assets		154,499	153,947
Capital and reserves			
Called up share capital	10	39,492	39,492
Share premium account	11	105,216	105,216
Capital redemption reserve	11	4,687	4,687
Capital contribution	11	4,000	4,000
Profit and loss account	11	1,104	552
Total shareholders' funds	12	154,499	153,947

The financial statements on pages 5 to 16 were approved by the board of directors on 02 December 2011 and were signed on its behalf by



R G Lee
Director

Powell Duffryn Limited - Registered number 00298073

Powell Duffryn Limited

Statement of accounting policies

Basis of accounting

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Consolidation

The Company has taken advantage of the exemption from preparing consolidated financial statements afforded by Section 400 of the Companies Act 2006 because it is included in the consolidated financial statements of Citigroup Capital Investments UK Limited, which are publicly available.

Fixed asset investments

Investments in subsidiary undertakings that are acquired with the intention of holding them for the long term or to maturity are treated as fixed asset investments, and are valued at cost less provision for impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

Cash flow statement

No cash flow statement has been prepared since Powell Duffryn Limited is a wholly owned subsidiary undertaking, and the intermediate parent undertaking, Citigroup Capital Investments UK Limited, includes a consolidated group cash flow statement in its financial statements for the period ended 31 March 2011 which are publicly available. The exemption is taken under Financial Reporting Standard 1 'Cash Flow Statements (revised 1996)'. Copies can be obtained from the address detailed in Note 15.

Related party transactions

The Company has taken advantage of the exemption under paragraph 3(c) from the provisions of FRS 8, 'Related party disclosures', on the grounds that it is deemed to be an effective wholly owned subsidiary of a group headed by Citigroup Capital Investments UK Limited, whose financial statements are publicly available.

Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Powell Duffryn Limited

Foreign currency

Monetary assets and liabilities expressed in foreign currencies are translated into sterling at rates of exchange ruling at the date of the balance sheet or at the agreed contractual rate. Transactions in foreign currency are converted to sterling at the rate ruling at the date of the transaction. All differences on exchange are taken to the profit and loss account.

Powell Duffryn Limited

Notes to the financial statements for the year ended 31 March 2011

1 Operating loss

Operating loss is arrived at after charging/(crediting)

	2011	2010
	£'000	£'000
Investment write-down (note 5)	-	56,974
Auditors' remuneration - audit	23	22
Staff costs - wages and salaries	379	339
- social security costs	47	42
Foreign exchange gains	(67)	(1,648)

Fees paid to the Company's auditors on behalf of the Company's subsidiaries for the provision of audit services during 2011 was £20,000 (2010 £20,000) The audit fee relating to Powell Duffryn Limited in 2011 was £3,250 (2010 £3,000)

2 Directors' remuneration

The total aggregate remuneration paid by Powell Duffryn Limited to one of the directors in 2011 was £379,235 (2010 £353,619) Of the total remuneration paid by Powell Duffryn Limited, services relating to a fellow group company, Powell Duffryn Group Services Limited, were £189,618 (2010 £176,809)

The other directors received no remuneration for their services to the Company during the year (2010 £nil)

	2011	2010
	Number	Number
The average monthly number of employees including directors of the Company was	2	2

Employees consist of one director and two administrative employees During January 2011, one administrative employee was transferred to the Company from Powell Duffryn Group Services Limited

Powell Duffryn Limited

3 Interest

	2011	2010
	£'000	£'000
Interest receivable and similar income		
Bank interest	4	1

4 Tax on profit on ordinary activities

(a) Analysis of tax charge in the year

There is no tax charge in the current year (2010 £nil)

(b) Factors affecting tax charge for the year

The tax assessed for the year is different from the standard rate of corporation tax in the UK of 28% (2010 28%) The differences are explained below

	2011	2010
	£'000	£'000
Profit on ordinary activities before taxation	552	6,306
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2010 28%)	155	1,766
Effects of		
Expenses not deductible for tax purposes	43	13
Non-assessable income from group undertakings	(560)	(17,431)
Interest imputed for tax purposes	(809)	(2,069)
Movement in provisions	52	(1)
Impairment of fixed asset investments	-	15,954
Group relief surrendered for no consideration	771	-
Losses carried forward	348	1,768
Current tax charge for the year	-	-

Powell Duffryn Limited

4 Tax on profit on ordinary activities (continued)

(c) Factors that may affect future tax charges

Any future taxable profits may be reduced by losses carried forward. There were losses carried forward of £35.9m at 31 March 2011. The 31 March 2011 tax return has yet to be finalised but it is expected that there will be no material change to the amount of available losses. The related deferred tax asset has not been recognised due to uncertainty over its future utilisation.

A number of changes to the UK Corporation tax system were announced in the June 2010 Budget Statement. The Finance (No 2) Act 2010, which was substantively enacted on 20 July 2010, includes legislation reducing the main rate of corporation tax from 28 per cent to 27 per cent from 1 April 2011. Further reductions to the main rate are proposed to reduce the rate by 1 per cent per annum to 24 per cent by 1 April 2014. The changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements. The impact of these changes is not expected to be material.

5 Fixed asset investments

	2011	2010
	£'000	£'000
At 1 April	339,170	398,436
Disposal of investment	(314)	-
Foreign exchange movement	(10)	-
Repayment of investment	-	(2,292)
Write-down of investment	-	(56,974)
At 31 March	338,846	339,170
Shares at cost after provision	338,846	339,170

The directors believe that the carrying value of the investments is supported by their underlying net assets.

The entities where common ordinary shares were held at 31 March 2011 were as follows:

Name	Percentage ownership	Country of incorporation
Powell Duffryn Group Services Limited	100	United Kingdom
Powell Duffryn (International) Limited	100	United Kingdom
Powell Duffryn Investments Limited	100	United Kingdom
Powell Duffryn Dormant Holdings Limited	100	United Kingdom

Powell Duffryn Limited

5 Fixed asset investments (continued)

Principal activities

Powell Duffryn Group Services Limited offers the provision of services to Powell Duffryn Group companies

Powell Duffryn (International) Limited is an investment holding company

Powell Duffryn Investments Limited is an investment holding company

Powell Duffryn Dormant Holdings Limited is a dormant holding company

The Company owned 80 12% of the issued share capital of Powell Duffryn Holdings BV ("PDHBV") a Company incorporated in The Netherlands PDHBV had been an investment holding company During the year, PDHBV assigned £314,000 of the receivable owed to it by Prestige Acquisitions Limited to the Company This was the final distribution of PDHBV and completed its liquidation

Dividends of £2,000,000 were received from the investment in Powell Duffryn Investments Limited in the year to 31 March 2011

6 Debtors

	2011	2010
	£'000	£'000
Amounts owed by group undertakings	26,721	25,416
Other debtors	3,540	272
Less provision for other debtors	-	(272)
	30,261	25,416

Amounts owed by group undertakings are unsecured, interest free and are repayable on demand

During the year, the Company loaned £1,000,000 to the immediate parent Prestige Acquisitions Limited As part of the liquidation of PDHBV it assigned £314,000 of the receivable owed to it by Prestige Acquisitions Limited to the Company

The other debtors balance for the year ended 31 March 2011 consists of capitalised deal costs in relation to the sale of the indirect subsidiary Hamworthy Combustion Engineering Limited

Powell Duffryn Limited

7 Creditors: amounts falling due within one year

	2011	2010
	£'000	£'000
Amounts owed to group undertakings	209,256	209,921
Amounts owed to other group companies	3,102	-
Other creditors	527	133
	212,885	210,054

Amounts owed to group undertakings include a loan from Powell Duffryn (USA) Limited of £397,000 (2010 £511,000) denominated in USD which is unsecured and has no fixed repayment date. The loan owed to Teesside Holdings Limited was assigned to Powell Duffryn Investments Limited as to £258,000 and Powell Duffryn Purfleet Limited as to £45,000 as part of the dissolution process for Teesside Holdings Limited. All other loans are interest free, unsecured and are repayable on demand.

Amounts owed to other group companies includes an amount payable to Citigroup Capital UK Limited for recharged transaction fees and an accrual to Citigroup Inc for transaction fees.

8 Creditors: amounts falling due after more than one year

	2011	2010
	£'000	£'000
Preference shares - authorised and issued		
3,600,000 4 75% cumulative preference shares of 50p each	1,800	1,800

The preference shares carry a fixed dividend and are non-redeemable. Holders of the preference shares do not have voting rights except in limited circumstances. On winding up the holders are entitled to repayment of capital together with any arrears of dividend and a premium of 5p per share in priority to the shares of any other class. The holders of the cumulative preference shares have waived their entitlement to dividends with effect from June 2001.

Powell Duffryn Limited

9 Provisions for liabilities

	£'000
Balance at 1 April 2010	2,247
Additional provision created in year	1,595
Release in year	(995)
Balance at 31 March 2011	2,847

The provisions for liabilities consist of a claims provision and a potential tax liability provision. The timing of any payment relating to these provisions is uncertain. There was movement during the year relating to foreign exchange movements on the claims provision and also the release of the lease and lease dilapidations provisions. During the year, provisions were transferred from Powell Duffryn Group Services Limited on the basis that the liabilities properly belong to the Company and are therefore now recognised in the Company.

10 Called up share capital

	2011 £'000	2010 £'000
Authorised		
115,400,000 ordinary shares of 50p each	57,700	57,700
Allotted and fully paid		
78,984,893 ordinary shares of 50p each	39,492	39,492

11 Reserves

	Share premium account £'000	Capital redemption reserve £'000	Capital contribution £'000	Profit and loss account £'000
At 1 April 2010	105,216	4,687	4,000	552
Profit for the financial year	-	-	-	552
At 31 March 2011	105,216	4,687	4,000	1,104

Powell Duffryn Limited

12 Reconciliation of movements in shareholders' funds

	2011	2010
	£'000	£'000
Profit for the financial year	552	6,306
Net increase in shareholders' funds	552	6,306
Opening shareholders' funds	153,947	147,641
Closing shareholders' funds	154,499	153,947

13 Related party transactions

As an effective subsidiary undertaking of Citigroup Capital Investments UK Limited, the Company has taken advantage of the exemption in FRS 8, 'Related party disclosures' from disclosing transactions with other members of the group headed by Citigroup Capital Investments UK Limited

14 Post balance sheet events

On 15 February 2011, the Company's indirect subsidiary Hamworthy Engineering Limited contracted to sell its investment in Hamworthy Combustion Engineering Limited. There were onerous conditions precedent in the contract, which completed on 20 May 2011. A new inter-company balance has arisen as a result of the sale where a loan payable is owed to the Company's affiliate Powell Duffryn (USA) Limited from the Company.

On 23 May 2011, the Company received an interim dividend in the sum of £85,120,000 from the Company's subsidiary, Powell Duffryn Investments Limited.

15 Ultimate parent company

Name	Country of incorporation	Address from where financial statements are obtainable
<i>Immediate parent company</i>		
Prestige Acquisitions Limited	United Kingdom	3 rd Floor, 1 King's Arms Yard, London, EC2R 7AF
<i>Intermediate holding company</i>		
Citigroup Capital Investments UK Limited	United Kingdom	Citigroup Centre, Canada Square, Canary Wharf, London, E14 5LB
<i>Ultimate parent company</i>		
Citigroup Inc	United States of America	399 Park Avenue, New York, NY 10043



Powell Duffryn Limited

The immediate parent of the Company is Prestige Acquisitions Limited. The ultimate parent undertaking of the Company for the purposes of s 1159 Companies Act 2006 is Prestige (No 1) Limited. Prestige (No 1) Limited is a company incorporated in the United Kingdom. However, the directors consider that Citigroup Capital UK Limited, which holds warrants to subscribe for ordinary shares in the Company's intermediate parent undertaking, Prestige Acquisitions Limited, and which, on exercise, would make it the majority shareholder, has effective control of the Company.

As of 31 March 2011, Citigroup Capital Investments UK Limited, a company registered in England and Wales, is the immediate parent undertaking of Citigroup Capital UK Limited and is in turn ultimately 100% owned by Citigroup Inc. Therefore as at 31 March 2011, the directors consider Citigroup Inc. to be the ultimate parent company.

Citigroup Capital Investments UK Limited is the parent undertaking of the smallest and largest group that presents consolidated financial statements including the results of the Company. Copies of the financial statements for Citigroup Capital Investments UK Limited are available from the Company Secretary, Citigroup Capital Investments UK Limited, Citigroup Centre, Canada Square, Canary Wharf, London, E14 5LB.