

Powell Duffryn (International) Limited
Directors' report and financial statements
for the year ended 31 March 2012

Registered number 1235617

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Powell Duffryn (International) Limited
Directors' report and financial statements
for the year ended 31 March 2012
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Powell Duffryn (International) Limited

Directors' report for the year ended 31 March 2012

The directors of Powell Duffryn (International) Limited (the "Company") present their annual report and audited financial statements of the Company for the year ended 31 March 2012

Principal activities

The principal activity of the Company was formerly that of an investment holding company, empowered to acquire and hold shares, other securities and other forms of property. The Company received confirmation that its subsidiary Hamworthy Engineering (Africa) (Pty) Limited was formally dissolved on 24 February 2011.

Results and dividends

The Company made a profit for the financial year of £3,000 (2011: loss of £64,000). The directors do not recommend the payment of a dividend (2011: £nil).

Future developments

It is intended to wind down the group, consisting of Prestige (No 1) Limited and its subsidiaries including the Company. This will be done by progressively dissolving or voluntarily liquidating the various entities within the group. However, the precise timing of the dissolution or liquidation in relation to any particular entity such as the Company is difficult to estimate and so these financial statements continue to be prepared on a going concern basis.

Principal risks and uncertainties

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

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.

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.

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)
V P Fandozzi	(Appointed 31 May 2011, Resigned 30 September 2011)
M A Livingstone	(Appointed 30 September 2011)
R G Lee	

Powell Duffryn (International) 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
9 November 2012

Powell Duffryn (International) Limited

Independent auditors' report to the members of Powell Duffryn (International) Limited

We have audited the financial statements of Powell Duffryn (International) Limited for the year ended 31 March 2012 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 directors' 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 2012 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 (International) 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 Jeffrey (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle Upon Tyne
9 November 2012

Powell Duffryn (International) Limited

Profit and loss account for the year ended 31 March 2012

	Note	2012 £'000	2011 £'000
Interest receivable/(payable) and similar income/(charges)		3	(64)
Profit/(loss) on ordinary activities before tax	1	3	(64)
Tax on profit/(loss) on ordinary activities	3	-	-
Profit/(loss) for the financial year	7	3	(64)

All results relate to continuing operations

There is no material difference between the profit/(loss) on ordinary activities before taxation and the profit/(loss) for the financial year stated above and their historical cost equivalents

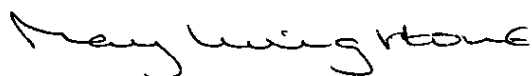
There are no recognised gains and losses other than those included above and therefore no separate statement of total recognised gains and losses has been presented

Powell Duffryn (International) Limited

Balance sheet as at 31 March 2012

	Note	2012 £'000	2011 £'000
Current assets			
Debtors	4	215,355	215,352
Net current assets		215,355	215,352
Total assets less current liabilities		215,355	215,352
Capital and reserves			
Called up share capital	5	5,300	5,300
Share premium account	6	127,446	127,446
Profit and loss account	6	82,609	82,606
Total shareholders' funds	7	215,355	215,352

The financial statements on pages 5 to 11 were approved by the Board of directors on 9 November 2012 and were signed on its behalf by



M A Livingstone
Director

Registered number 1235617

Powell Duffryn (International) 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 UK Limited which are publicly available.

Foreign currencies

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.

Cash flow statement

No cash flow statement has been prepared since Powell Duffryn (International) Limited is considered to be a wholly owned subsidiary undertaking, and the intermediate parent undertaking, Citigroup Capital UK Limited, includes a consolidated group cash flow statement in its financial statements for the year ended 31 March 2012 which are publicly available (see note 10). The exemption is taken under Financial Reporting Standard 1 (revised 1996) 'Cash flow statements'.

Powell Duffryn (International) Limited

Notes to the financial statements for the year ended 31 March 2012

1 Profit/loss on ordinary activities before taxation

The amount disclosed as interest receivable and similar income on the face of the profit and loss is made up of the foreign exchange movements on the inter-company loans

Fees paid to the Company's auditors for provision of audit services in the current and prior year have been borne by the immediate parent company Powell Duffryn Limited. The audit fee relating to Powell Duffryn (International) Limited in 2012 was £4,000 (2011: £4,000).

2 Directors' remuneration

The remuneration for one of the directors was borne by the intermediate parent entity, Powell Duffryn Limited during the year to 31 March 2012. Total remuneration was £287,807 (2011: £379,235). There was no recharge of this remuneration, consistent with the prior year.

The other directors received no remuneration for their services to the Company during the year (2011: £nil).

The Company had no employees during the year (2011: none).

3 Tax on profit/loss on ordinary activities

(a) Analysis of tax charge in the year

There is no tax charge for the current year (2011: £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 26% (2011: 28%). The differences are explained below.

	2012 £'000	2011 £'000
Profit/(loss) on ordinary activities before taxation	3	(64)
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26% (2011: 28%)	1	(18)
Effects of		
Interest imputed for tax purposes	804	950
Group relief received for no consideration	(805)	(932)
Total current tax charge for the year	-	-

Powell Duffryn (International) Limited

3 Tax on profit on ordinary activities (continued)

(c) Factors that may affect future tax charges

The main rate of UK corporation tax for the year beginning 1 April 2011 was reduced from 28% to 26% in the Finance Bill 2011. A reduction in the rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and a further reduction to 24% (effective from 1 April 2012) was substantively enacted on 26 March 2012. The 2012 Budget on 21 March 2012 announced that the UK corporation tax rate will reduce to 22% by 2014. The impact of these changes is not expected to be material.

4 Debtors

	2012	2011
	£'000	£'000
Loans owed by holding company	178,346	178,346
Loans owed by fellow group companies	25,789	25,786
Amounts owed by fellow subsidiaries	11,220	11,220
	215,355	215,352

The loans owed by the holding company and the amounts owed by fellow subsidiaries are denominated in sterling, unsecured, interest free and are repayable on demand. The loans owed by fellow group companies consist of a balance denominated in USD of \$1,904,000 (converted to £1,192,000 at the year end rate) as well as a balance denominated in sterling of £24,598,000. These are unsecured, interest free and are repayable on demand.

Powell Duffryn (International) Limited

5 Called up share capital

	2012	2011
	£'000	£'000
Authorised		
8,000,000 (2011 8,000,000) ordinary shares of £1 each	8,000	8,000
Allotted and fully paid		
5,300,000 (2011 5,300,000) ordinary shares of £1 each	5,300	5,300

6 Reserves

	Share premium account	Profit and loss account
	£'000	£'000
At 1 April 2011	127,446	82,606
Profit for the financial year	-	3
At 31 March 2012	127,446	82,609

7 Reconciliation of movements in shareholders' funds

	2012	2011
	£'000	£'000
Opening shareholders' funds	215,352	215,416
Profit/(loss) for the financial year	3	(64)
Closing shareholders' funds	215,355	215,352

8 Contingent asset

Under the terms of a participating loan agreement, the Company is entitled to receive from Prestige (U S) Limited a calculated portion of the proceeds on the sale of Hamworthy Combustion (USA) Inc by Powell Duffryn (USA) Limited, a subsidiary company of Prestige (U S) Limited. Subject to currency movements, the amount to be received by the Company is expected to be about £13.0 million.

Powell Duffryn (International) Limited

9 Related party transactions

As an effective subsidiary undertaking of Citigroup Capital 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 UK Limited

10 Ultimate parent undertaking and controlling party

Name	Country of incorporation	Address from where financial statements are obtainable
<i>Immediate parent company</i>		
Powell Duffryn Limited	United Kingdom	Summit House, London Road, Bracknell, Berkshire, RG12 2AQ
<i>Intermediate holding company</i>		
Citigroup Capital 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

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

As of 31 March 2012, Citigroup Capital UK Limited, a company registered in England and Wales, is ultimately 100% owned by Citigroup Inc. Therefore as at 31 March 2012, the directors consider Citigroup Inc to be the ultimate parent company.

Citigroup Capital 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 UK Limited are available from the Company Secretary, Citigroup Capital UK Limited, Citigroup Centre, Canada Square, Canary Wharf, London, E14 5LB.