

CITIFINANCIAL MORTGAGE CORPORATION
(An Unlimited Company)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

For the Year Ended 31 December 2012

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CITIFINANCIAL MORTGAGE CORPORATION

(An Unlimited Company)

DIRECTORS' REPORT

For the Year Ended 31 December 2012

The Directors present their report and the financial statements of Citifinancial Mortgage Corporation ("the Company") for the year ended 31 December 2012

Principal activities

The Company did not trade during the current and preceding year, and the directors do not anticipate that it will commence trading in the foreseeable future. The state of affairs of the Company as at the year end are detailed in the balance sheet.

The financial statements are prepared on a going concern basis, as the Directors believe that the Company is to continue as a going concern for the foreseeable future.

Dividends

No dividends were declared or paid by the Company during the year (2011: £nil). The Directors do not recommend the declaration of a dividend in respect of the year (2011: £nil).

Directors

The Directors who served during the year were:

S J Cumming
J D Robson

Directors' responsibilities statement

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 elected to prepare 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 judgments 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' indemnity

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

Political and charitable contributions

There were no charitable donations or any contributions for political purposes made by the Company during the year (2011: £nil).

Employees

There were no persons employed by the Company during the year and no persons have been employed by the Company since the year end.

CITIFINANCIAL MORTGAGE CORPORATION
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DIRECTORS' REPORT
For the Year Ended 31 December 2012

Provision of information to auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that

- so far as that Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any information needed by the Company's auditor in connection with preparing its report and to establish that the Company's auditor is aware of that information

Auditor

Under section 487(2) of the Companies Act 2006, KPMG Audit Plc, the auditor will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier

This report was approved by the Board and signed on its behalf



J D Robson
Director

Date 30 September 2013

Citigroup Centre
Canada Square
Canary Wharf
London
E14 5LB

Registered number 01533025

Registered in England and Wales

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CITIFINANCIAL MORTGAGE CORPORATION

We have audited the financial statements of CitiFinancial Mortgage Corporation ("the Company") for the year ended 31 December 2012, set out on pages 4 to 7. 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).

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.

Respective responsibilities of Directors and Auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 1, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 December 2012 and of its result 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.

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.



Karyn Nicoll (Senior statutory auditor)

for and on behalf of KPMG Audit Plc, Statutory Auditor

Chartered Accountants
15 Canada Square
Canary Wharf
London
E14 5GL

30 September 2013

CITIFINANCIAL MORTGAGE CORPORATION
(An Unlimited Company)

PROFIT AND LOSS ACCOUNT
For the Year Ended 31 December 2012

The Company did not trade during the current and preceding financial year and received no income and incurred no expenditure. Consequently, during those years the Company made neither a profit nor a loss.

BALANCE SHEET
As at 31 December 2012

	Note	2012 £000	2011 £000
Net assets		-	-
Capital and reserves			
Called up share capital	4	12,894	12,894
Profit and loss account		(12,894)	(12,894)
Shareholders' funds		-	-

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 September 2013.



S J Cumming
Director

Registered number 01533025

The notes on pages 5 to 7 form part of these financial statements.

CITIFINANCIAL MORTGAGE CORPORATION

(An Unlimited Company)

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2012

1 Principal accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

The Directors have satisfied themselves that the Company is to continue as a going concern for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis

During 2012 the Financial Reporting Council (FRC) revised the financial reporting standards for the United Kingdom and Republic of Ireland. This revision fundamentally reforms financial reporting, replacing almost all extant standards with three Financial Reporting Standards which is effective for periods beginning on or after 1 January 2015

- FRS 100 'Application of Financial Reporting Requirements' sets out a new financial reporting regime explaining which standards apply to which entity and when an entity can apply the reduced disclosure framework
- FRS 101 'Reduced Disclosure Framework' sets out the disclosure exemptions for the individual financial statements of subsidiaries, including intermediate parents, and ultimate parents that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted International Financial Reporting Standards (IFRS)
- FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' is a single financial reporting standard that applies to the financial statements of entities that are not applying EU-adopted IFRS, FRS 101 or the FRSSE

This Company is currently assessing the impact of the FRC revision of the financial reporting standards effective 1 January 2015

1.2 Cash flow

The Company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cashflow statement in accordance with FRS 1

1.3 Related parties

As the Company is a wholly owned subsidiary of Avco Trust ("the parent"), the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of Citigroup Inc ("the ultimate parent"), within which the Company is included are available from the address stated in Note 5

2 Directors' remuneration

None of the Directors received any remuneration during the year in respect of their services to the Company (2011: £nil)

3 Auditor's remuneration

Auditor's remuneration in relation to the audit of the Company amounting to £1,034 (2011: £1,034) is borne by the parent

CITIFINANCIAL MORTGAGE CORPORATION
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NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2012

4 Share capital

	2012 £000	2011 £000
Authorised		
20,000,000 Ordinary shares of £1 each	20,000	20,000
	<u> </u>	<u> </u>
Allotted, called up but not paid		
12,894,470 Ordinary shares of £1 each	12,894	12,894
	<u> </u>	<u> </u>

CITIFINANCIAL MORTGAGE CORPORATION
(An Unlimited Company)

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2012

5 Ultimate parent undertaking

The Company's immediate parent undertaking is Avco Trust, a company registered in England and Wales. The Company's ultimate parent company and ultimate controlling party is Citigroup Inc., incorporated in the State of Delaware, United States of America.

The audited financial statements of the 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 audited consolidated financial statements of the ultimate parent are available to the public annually in accordance with Securities and Exchange Commission regulations and may be obtained from www.citigroup.com/citi/corporategovernance/ar.htm.