

**CITIFRIENDS NOMINEE LIMITED**

**(Registered Number: 2204145)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**for the year ended 31 December 2006**



# **CITIFRIENDS NOMINEE LIMITED**

## **CITIFRIENDS NOMINEE LIMITED**

### **REPORT OF THE DIRECTORS**

The Directors present their report and the financial statements of the Company for the year ended 31 December 2006 which have been prepared in accordance with the provisions of the Companies Act 1985 (as amended)

#### **Principal activity and future developments**

The Company acts as a bare nominee or trustee on behalf of corporate clients of Citibank N A. The Company does not levy any charges nor incur any expenses in relation thereto. The Directors have no plans to change the Company's principal activity.

#### **Results and dividends**

The Company did not earn any revenues nor incur any expenses during the year or in the preceding year and as a consequence the Company made neither a profit nor a loss in respect of the year or in the preceding year.

The state of affairs of the Company as at the year end was as detailed in the balance sheet.

No dividends were paid by the Company during the year and the Directors do not recommend the declaration of a final dividend in respect of the year.

#### **Directors and their interests**

The Directors who held office during the year were as follows:

Paul G Carroll  
Denise Overall  
James S Foster  
John R Kirkpatrick  
Simon D Nelson  
Jonathan M Quarmby  
Mark S Tarran

None of the Directors nor their immediate families had at any time during the year any interests in the shares of or contracts with the Company or any other group undertaking which is required to be disclosed under the Companies Act 1985.

#### **Directors' responsibilities for 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 and a Directors' Report for each accounting reference period in accordance with applicable law and regulations. The Directors have elected to prepare the financial statements in accordance with UK Accounting Standards (UK Generally Accepted Accounting Practice). The financial statements are required by law to 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 and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

# **CITIFRIENDS NOMINEE LIMITED**

## **REPORT OF THE DIRECTORS (continued)**

### **Directors' responsibilities for financial statements (continued)**

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the provisions of the Companies Act 1985. They 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.

### **Directors' indemnity**

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

### **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.

### **Charitable donations and political contributions**

There were no charitable donations nor any contributions for political purposes made by the Company during the year.

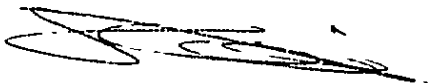
### **Disclosure of information to auditors**

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 Auditors are 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 Auditors are aware of that information. This statement is made subject to all the provisions of s. 234ZA.

### **Auditors**

An elective resolution to dispense with the annual appointment of the Auditors pursuant to s. 386 of the Companies Act 1985 is in force. Accordingly the Company's present Auditors, KPMG Audit Plc shall be deemed to be re-appointed for 2007 and subsequently until further notice.

Approved by the Board of Directors on 1 May 2007 and were signed on their behalf by



John R Kirkpatrick  
Director

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

# **CITIFRIENDS NOMINEE LIMITED**

## **Independent Auditors' Report to the Members of CITIFRIENDS NOMINEE LIMITED**

We have audited the financial statements of Citifriends Nominee Limited for the year ended 31 December 2006 which comprise the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members in accordance with section 235 of the Companies Act 1985. 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 Auditors**

The Directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on pages 1 and 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion:

- the financial statements give a true and fair view in accordance with UK Generally Accepted Accounting Practice of the state of the Company's affairs as at 31 December 2006 and of its result for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

**KPMG Audit Plc**

KPMG Audit Plc  
Chartered Accountants  
Registered Auditor  
London

Date **2** May 2007

# CITIFRIENDS NOMINEE LIMITED

## PROFIT AND LOSS ACCOUNT for the year ended 31 December 2006

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

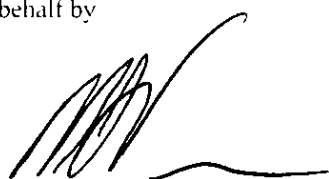
## BALANCE SHEET as at 31 December 2006

	Note	2006 £	2005 £
<b>Current assets</b>			
Amount due from group company	3	<u>2</u>	<u>2</u>

	Note	2006 £	2005 £
<b>Share capital</b>			
Called up share capital	4	<u>2</u>	<u>2</u>

The notes on page 5 form an integral part of these financial statements

These financial statements were approved by the Board of Directors on 1 May 2007 and were signed on their behalf by



Mark S Tarran  
Director

# CITIFRIENDS NOMINEE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 1 Principal accounting policies

The accounting policies, which have been applied consistently throughout the current year and the preceding year are set out below

#### a) Basis of presentation

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

As permitted by Financial Reporting Standard ( FRS ) 1 'Cash Flow Statements' UK Generally Accounting Practice and the Companies Act 1985 the Company has not prepared a cash flow statement 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

Under the subsidiary undertakings exemption of FRS 8, 'Related Party Disclosures', the Company is not required to disclose all transactions with other group companies and investees of the group qualifying as related parties

### 2 Directors' emoluments

None of the Directors received any emoluments during the year in respect of their services to the Company (2005 £nil)

### 3 Amount due from group company

Assets of £2 (2005 £2) represent an amount due from a fellow group company

### 4 Share capital

	2006 £	2005 £
Authorised 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted called up and fully paid 2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

### 5 Ultimate parent company and parent undertaking of larger group of which the Company is a member

The Company is a subsidiary undertaking of Citigroup Inc , which is incorporated in the United States of America under the laws of the State of Delaware

The largest group in which the results of the Company are consolidated is that headed by Citigroup Inc Copies of these group accounts are available to the public and may be obtained from their offices at Document Services 140 58<sup>th</sup> Street Suite 8G Brooklyn New York NY 11220 United States of America

The smallest group in which the results of the accounts are consolidated is that headed by Citibank Investments Limited Copies of these group accounts are available to the public and may be obtained from its offices at Citigroup Centre Canada Square Canary Wharf London E14 5LB