

Report of the Directors and

Financial Statements

for the Period 1 July 2011 to 31 December 2011

for

02775249

CITI Limited

TUESDAY



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CITI Limited

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for the Period 1 July 2011 to 31 December 2011

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CITI Limited

Company Information  
for the Period 1 July 2011 to 31 December 2011

**DIRECTORS:**

Dr C J Worsley  
Dr T W G Docker  
Ms A Muscat  
S Green  
Mrs J A Small

**SECRETARY:**

Mrs J A Small

**REGISTERED OFFICE:**

Lovat Bank  
Silver Street  
Newport Pagnell  
Buckinghamshire  
MK16 0EJ

**REGISTERED NUMBER:**

02775249 (England and Wales)

**AUDITORS**

Michael J Emery & Co Limited  
Chartered Accountants & Statutory  
Auditors  
22 St John Street  
Newport Pagnell  
Buckinghamshire  
MK16 8HJ

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CITI Limited

Report of the Directors  
for the Period 1 July 2011 to 31 December 2011

The directors present their report with the financial statements of the company for the period 1 July 2011 to 31 December 2011

**PRINCIPAL ACTIVITY**

The principal activity of the company in the period under review was that of management and training consultants

**REVIEW OF BUSINESS**

The results for the year and financial position of the company are as shown in the annexed financial statements

**DIVIDENDS**

No dividends will be distributed for the period ended 31 December 2011

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 July 2011 to the date of this report

Dr C J Worsley  
Dr T W G Docker  
Ms A Muscat  
S Green  
Mrs J A Small

The interests of the directors in the shares of CITI Holdings Limited, the company's parent company, are disclosed in the accounts of that company

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors 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 judgements and accounting estimates that are reasonable and prudent,
- 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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

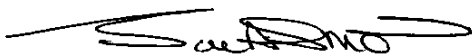
The auditors, Michael J Emery & Co Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

CIT Limited

Report of the Directors  
for the Period 1 July 2011 to 31 December 2011

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

**ON BEHALF OF THE BOARD:**



Mrs J A Small - Secretary

Date 8/10/12

Report of the Independent Auditors to the Members of  
CITI Limited

We have audited the financial statements of CITI Limited for the period ended 31 December 2011 on pages six to twelve. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 a Report of the Auditors 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**

As explained more fully in the Statement of Directors' Responsibilities set out on page two, 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.

**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 Report of the Directors 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 December 2011 and of its profit for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

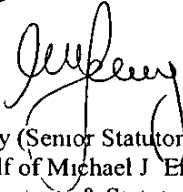
In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Report of the Independent Auditors to the Members of  
CITI 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, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Report of the Directors



Michael J Emery (Senior Statutory Auditor)  
for and on behalf of Michael J Emery & Co Limited  
Chartered Accountants & Statutory  
Auditors  
22 St John Street  
Newport Pagnell  
Buckinghamshire  
MK16 8HJ

Date

8/10/12

CITI Limited

Profit and Loss Account  
for the Period 1 July 2011 to 31 December 2011

		Period 1 7 11 to 31 12 11 £	Period 1 1 10 to 30 6 11 £
Notes			
<b>TURNOVER</b>		1,116,515	3,791,449
Cost of sales		443,524	1,313,961
<b>GROSS PROFIT</b>		672,991	2,477,488
Administrative expenses		565,105	1,641,972
		107,886	835,516
Other operating income		-	2,355
<b>OPERATING PROFIT</b>	2	107,886	837,871
Interest receivable and similar income		167	-
		108,053	837,871
Interest payable and similar charges		-	580
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		108,053	837,291
Tax on profit on ordinary activities	3	(2,278)	231,210
<b>PROFIT FOR THE FINANCIAL PERIOD</b>		110,331	606,081

The notes form part of these financial statements



CITI Limited

Balance Sheet  
31 December 2011

	Notes	31 12 11 £	£	30 6 11 £	£
<b>FIXED ASSETS</b>					
Intangible assets	5		-		-
Tangible assets	6		15,261		22,045
			<u>15,261</u>		<u>22,045</u>
<b>CURRENT ASSETS</b>					
Stocks		40,741		49,134	
Debtors	7	351,282		663,177	
Cash at bank and in hand		364,106		334,203	
		<u>756,129</u>		<u>1,046,514</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	8	393,240		992,190	
<b>NET CURRENT ASSETS</b>			<u>362,889</u>		<u>54,324</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			378,150		76,369
<b>CREDITORS</b>					
Amounts falling due after more than one year	9		(193,738)		-
<b>PROVISIONS FOR LIABILITIES</b>	11		-		(2,288)
<b>NET ASSETS</b>			<u>184,412</u>		<u>74,081</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	12		9,500		9,500
Profit and loss account	13		174,912		64,581
<b>SHAREHOLDERS' FUNDS</b>			<u>184,412</u>		<u>74,081</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the Board of Directors on its behalf by

8/10/12

and were signed on



Dr T W G Docker - Director



Mrs J A Small - Director

The notes form part of these financial statements

CITI Limited

Notes to the Financial Statements  
for the Period 1 July 2011 to 31 December 2011

**1 ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

**Turnover**

Turnover represents net invoiced sales of services, excluding value added tax, adjusted for work in progress partially completed at selling price

**Patents and licences**

The company practice is to write off patent and licences over their expected estimated useful lives of 3 years

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Plant and machinery etc                      -    25% on cost and at varying rates on cost

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

**Research and development**

Expenditure on research and development is written off in the year in which it is incurred

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result

**Related party transactions**

The company has taken advantage of exemptions within Financial Reporting Standard 8 in respect of disclosure of transactions with group undertakings

**Going Concern**

The accounts have been prepared on a going concern basis based on the continued support of the directors

**2 OPERATING PROFIT**

The operating profit is stated after charging/(crediting)

	Period 1 7 11 to 31 12 11 £	Period 1 1 10 to 30 6 11 £
Depreciation - owned assets	11,045	40,871
(Profit)/loss on disposal of fixed assets	(2,230)	485
Foreign exchange differences	-	(7)
	<u>143,185</u>	<u>292,212</u>
Directors' remuneration and other benefits etc	<u>143,185</u>	<u>292,212</u>

CITI Limited

Notes to the Financial Statements - continued  
for the Period 1 July 2011 to 31 December 2011

**3 TAXATION**

**Analysis of the tax (credit)/charge**

The tax (credit)/charge on the profit on ordinary activities for the period was as follows

	Period 1 7 11 to 31 12 11 £	Period 1 1 10 to 30 6 11 £
Current tax		
UK corporation tax	10	228,922
Deferred tax	(2,288)	2,288
Tax on profit on ordinary activities	<u>(2,278)</u>	<u>231,210</u>

**Factors affecting the tax (credit)/charge**

The tax assessed for the period is lower than the standard rate of corporation tax in the UK. The difference is explained below

	Period 1 7 11 to 31 12 11 £	Period 1 1 10 to 30 6 11 £
Profit on ordinary activities before tax	<u>108,053</u>	<u>837,291</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2011 - 28%)	21,611	234,441
Effects of		
Non deductible expenses	2,209	41,838
Capital allowances	(3,364)	(49,418)
Losses brought forward	-	2,019
Profit on disposal of assets	(446)	-
Amount written off intercompany loan	(20,000)	-
Overprovision prior year	-	42
Current tax (credit)/charge	<u>10</u>	<u>228,922</u>

**4 DIVIDENDS**

	Period 1 7 11 to 31 12 11 £	Period 1 1 10 to 30 6 11 £
Ordinary non-voting shares of £1 each		
Interim	-	148,555

CITI Limited

Notes to the Financial Statements - continued  
for the Period 1 July 2011 to 31 December 2011

**5 INTANGIBLE FIXED ASSETS**

	Other intangible assets £
<b>COST</b>	
At 1 July 2011	
and 31 December 2011	12,500
<b>AMORTISATION</b>	
At 1 July 2011	
and 31 December 2011	12,500
<b>NET BOOK VALUE</b>	
At 31 December 2011	-
At 30 June 2011	-

**6 TANGIBLE FIXED ASSETS**

	Plant and machinery etc £
<b>COST</b>	
At 1 July 2011	562,201
Additions	4,261
Disposals	(7,153)
At 31 December 2011	559,309
<b>DEPRECIATION</b>	
At 1 July 2011	540,156
Charge for period	11,045
Eliminated on disposal	(7,153)
At 31 December 2011	544,048
<b>NET BOOK VALUE</b>	
At 31 December 2011	15,261
At 30 June 2011	22,045

**7 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31 12 11 £	30 6 11 £
Trade debtors	310,978	502,114
Accrued income	19,804	136,008
Other debtors	2,787	451
Prepayments	17,713	24,604
	<u>351,282</u>	<u>663,177</u>

CITI Limited

Notes to the Financial Statements - continued  
for the Period 1 July 2011 to 31 December 2011

**8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31 12 11	30 6 11
	£	£
Trade creditors	37,217	56,907
Amounts owed to group undertakings	104,712	498,450
Tax	74,936	228,963
Social security and other taxes	39,505	40,940
VAT	59,122	79,330
Other creditors	3,820	3,705
Staff loans	-	40
Directors' current accounts	9,499	9,499
Accruals and deferred income	63,782	74,356
Accrued expenses	647	-
	<u>393,240</u>	<u>992,190</u>

**9 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	31 12 11	30 6 11
	£	£
Amounts owed to group undertakings	<u>193,738</u>	<u>-</u>

**10 OPERATING LEASE COMMITMENTS**

The following operating lease payments are committed to be paid within one year

	31 12 11	30 6 11
	£	£
Expiring		
Between one and five years	<u>34,600</u>	<u>34,600</u>

**11 PROVISIONS FOR LIABILITIES**

	31 12 11	30 6 11
	£	£
Deferred tax	<u>-</u>	<u>2,288</u>
		Deferred tax
		£
Balance at 1 July 2011		2,288
Movement in provision		<u>(2,288)</u>
Balance at 31 December 2011		<u>-</u>

**12 CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid			31 12 11	30 6 11
Number	Class	Nominal value	£	£
9,000	Ordinary non-voting	£1	9,000	9,000
1,000	Ordinary A	50p	<u>500</u>	<u>500</u>
			<u>9 500</u>	<u>9,500</u>

CITI Limited

Notes to the Financial Statements - continued  
for the Period 1 July 2011 to 31 December 2011

**13 RESERVES**

	Profit and loss account £
At 1 July 2011	64,581
Profit for the period	110,331
At 31 December 2011	<u>174,912</u>

**14 ULTIMATE PARENT COMPANY**

Throughout the year the company was controlled by its parent company CITI Holdings Limited, a company which is controlled by its directors. Copies of group accounts can be obtained from Companies House.

**15 RELATED PARTY DISCLOSURES**

Transactions with group companies are not disclosed in the Financial Statements in accordance with FRS8 as group financial statements are publicly available. Copies are available from the registered office of CITI Holdings Limited.

The parent company has written off £100,000 from the inter-company balance due from CITI Limited during the year which is included as an exceptional item on the Profit and Loss Account.

**16 APB ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES**

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

**17 GOING CONCERN**

The current economic conditions have created uncertainty over the level of demand for the company's services and as a consequence the company made losses to September 2012. The company has prepared forecasts and projections taking into account future agreed orders and expected orders. The directors expect the company to trade profitably based on its forecasts from September 2012.

Based on their experience of the business and economic climate they expect to operate within the current overdraft facility already agreed with the company's bankers. No matters have been brought to the attention of the directors to suggest that the facility may not be renewed in the future.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. They have therefore adopted the going concern basis in preparing the annual financial statements.