

Report of the Directors and  
Financial Statements  
for the Year Ended 31 December 2009  
for  
CITI Limited

THURSDAY



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CITI Limited

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for the Year Ended 31 December 2009

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CITI Limited

Company Information  
for the Year Ended 31 December 2009

**DIRECTORS:**

Dr C J Worsley  
Dr T W G Docker

**SECRETARY:**

Mrs J A Small

**REGISTERED OFFICE:**

Lovat Hall  
Lovat Bank  
Silver Street  
Newport Pagnell  
Buckinghamshire  
MK16 0EJ

**REGISTERED NUMBER:**

2775249 (England and Wales)

**AUDITORS:**

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

CITI Limited

Report of the Directors  
for the Year Ended 31 December 2009

The directors present their report with the financial statements of the company for the year ended 31 December 2009

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year 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

The company has suffered significant losses during the year as a result a downturn in sales. This was driven by the UK economic recession which persisted throughout the 2009 calendar year

The directors have taken action to restructure the business in order to reduce costs and return the company to profitability in 2010

**DIVIDENDS**

The total distribution of dividends for the year ended 31 December 2009 will be £120,000

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2009 to the date of this report

Dr C J Worsley  
Dr T W G Docker

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

**POLITICAL AND CHARITABLE CONTRIBUTIONS**

The company made charitable donations in the year of £Nil (2008 £152)

**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 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


CITI Limited

Report of the Directors  
for the Year Ended 31 December 2009

**AUDITORS**

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

**ON BEHALF OF THE BOARD:**



Mrs J A Small - Secretary

Date 30 September 2010

Report of the Independent Auditors to the Shareholders of  
CITI Limited

We have audited the financial statements of CITI Limited for the year ended 31 December 2009 on pages five to thirteen. 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 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 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.

**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 2009 and of its loss 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.

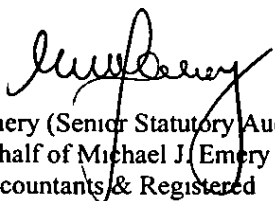
**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Report of the Directors 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.



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

Date

22/09/10

CITI Limited

Profit and Loss Account  
for the Year Ended 31 December 2009

	Notes	31 12 09 £	31 12 08 £
<b>TURNOVER</b>	2	3,058,009	7,063,867
Cost of sales		826,025	2,058,717
<b>GROSS PROFIT</b>		2,231,984	5,005,150
Administrative expenses		3,104,150	4,293,846
<b>OPERATING (LOSS)/PROFIT</b>	4	(872,166)	711,304
Interest receivable and similar income		985	24,655
		(871,181)	735,959
Interest payable and similar charges	5	17	-
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(871,198)	735,959
Tax on (loss)/profit on ordinary activities	6	(216,454)	210,386
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		(654,744)	525,573

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous year

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the loss for the current year and the profit for the previous year

The notes form part of these financial statements

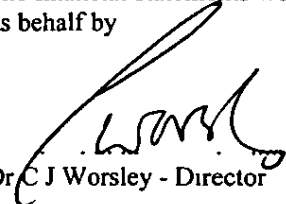
CITI Limited

Balance Sheet  
31 December 2009

	Notes	31.12 09 £	£	31 12 08 £	£
<b>FIXED ASSETS</b>					
Intangible assets	8		-		-
Tangible assets	9		62,819		253,579
			<u>62,819</u>		<u>253,579</u>
<b>CURRENT ASSETS</b>					
Stocks	10	74,067		28,745	
Debtors	11	396,765		2,197,502	
Cash at bank and in hand		471		500,100	
		<u>471,303</u>		<u>2,726,347</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	12	917,567		2,572,506	
		<u>917,567</u>		<u>2,572,506</u>	
<b>NET CURRENT (LIABILITIES)/ASSETS</b>			<u>(446,264)</u>		<u>153,841</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>(383,445)</u>		<u>407,420</u>
<b>PROVISIONS FOR LIABILITIES</b>	15		-		16,121
<b>NET (LIABILITIES)/ASSETS</b>			<u><u>(383,445)</u></u>		<u><u>391,299</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	16		9,500		9,500
Profit and loss account	17		(392,945)		381,799
			<u>(383,445)</u>		<u>391,299</u>
<b>SHAREHOLDERS' FUNDS</b>	21		<u><u>(383,445)</u></u>		<u><u>391,299</u></u>

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

30<sup>th</sup> September 2010 and were signed on

  
Dr C J Worsley - Director

  
Dr T W G Docker - Director

The notes form part of these financial statements



CITI Limited

Notes to the Financial Statements  
for the Year Ended 31 December 2009

**1 ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention

**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

Office equipment & furniture	- 25% on cost
Computer equipment	- 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 financial statements have been prepared on the going concern basis. The validity of this is dependent upon the support of the company's holding company, CITI Holdings Limited

CITI Limited

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2009

**2 TURNOVER**

The turnover and loss (2008 - profit) before taxation are attributable to the one principal activity of the company

An analysis of turnover by geographical market for the year ended 31 December 2008 is given below:

	£
United Kingdom	6,948,141
Rest of The World	115,726
	<u>7,063,867</u>

This analysis is not considered to be applicable to the year ended 31 December 2009

**3 STAFF COSTS**

	31 12 09	31 12 08
	£	£
Wages and salaries	1,767,246	2,288,289
Social security costs	174,186	267,213
	<u>1,941,432</u>	<u>2,555,502</u>

The average monthly number of employees during the year was as follows:

	31.12 09	31.12 08
Directors	2	2
All other staff	29	37
	<u>31</u>	<u>39</u>

**4 OPERATING (LOSS)/PROFIT**

The operating loss (2008 - operating profit) is stated after charging/(crediting):

	31 12 09	31 12 08
	£	£
Depreciation - owned assets	266,285	65,819
Profit on disposal of fixed assets	-	(112)
Rent of office equipment	-	47,842
	<u>-</u>	<u>-</u>
Directors' remuneration	-	-
	<u>-</u>	<u>-</u>

**5 INTEREST PAYABLE AND SIMILAR CHARGES**

	31 12 09	31 12 08
	£	£
Bank interest	17	-
	<u>17</u>	<u>-</u>

CITI Limited

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2009

**6 TAXATION**

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

The tax (credit)/charge on the loss on ordinary activities for the year was as follows

	31 12 09 £	31 12 08 £
Current tax		
UK corporation tax	-	200,333
Over provision prior year	(2)	(1)
Tax refundable	(200,331)	-
	<u>(200,333)</u>	<u>200,332</u>
Total current tax		
	(200,333)	200,332
Deferred tax	(16,121)	10,054
	<u>(16,121)</u>	<u>10,054</u>
Tax on (loss)/profit on ordinary activities	<u>(216,454)</u>	<u>210,386</u>

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

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

	31.12 09 £	31 12 08 £
(Loss)/profit on ordinary activities before tax	(871,198)	735,959
	<u>(871,198)</u>	<u>735,959</u>
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28.497% (2008 - 28.497%)	(248,265)	209,726
Effects of		
Non deductible expenses	75,883	19,008
Capital allowances	(28,524)	(28,401)
	<u>(2)</u>	<u>(1)</u>
Overprovision prior year		
	(2)	(1)
Losses carried forward	575	-
	<u>575</u>	<u>-</u>
Current tax (credit)/charge	<u>(200,333)</u>	<u>200,332</u>

**7 DIVIDENDS**

	31 12 09 £	31 12 08 £
Ordinary non-voting shares of £1 each		
Interim	120,000	520,000
	<u>120,000</u>	<u>520,000</u>

CITI Limited

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2009

**8 INTANGIBLE FIXED ASSETS**

	Patents and licences £
<b>COST</b>	
At 1 January 2009	
and 31 December 2009	12,500
<b>AMORTISATION</b>	
At 1 January 2009	
and 31 December 2009	12,500
<b>NET BOOK VALUE</b>	
At 31 December 2009	-
At 31 December 2008	-

**9 TANGIBLE FIXED ASSETS**

	Office equipment & furniture £	Computer equipment £	Totals £
<b>COST</b>			
At 1 January 2009	79,735	554,191	633,926
Additions	-	75,526	75,526
At 31 December 2009	79,735	629,717	709,452
<b>DEPRECIATION</b>			
At 1 January 2009	65,388	314,960	380,348
Charge for year	6,121	260,164	266,285
At 31 December 2009	71,509	575,124	646,633
<b>NET BOOK VALUE</b>			
At 31 December 2009	8,226	54,593	62,819
At 31 December 2008	14,347	239,231	253,578

**10. STOCKS**

	31 12 09 £	31.12 08 £
Stocks	74,067	28,745

CITI Limited

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2009

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

	31 12 09	31 12 08
	£	£
Trade debtors	343,487	1,228,627
Accrued income	26,546	30,688
Amounts owed by group undertakings	-	867,642
Other debtors	750	8,700
Staff loans	2,080	19,404
Prepayments	23,902	42,441
	<u>396,765</u>	<u>2,197,502</u>

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

	31 12 09	31 12 08
	£	£
Bank loans and overdrafts (see note 13)	59,082	-
Trade creditors	21,123	110,068
Amounts owed to group undertakings	653,263	1,805,167
Tax	-	200,333
Social security and other taxes	75,470	130,383
VAT	23,761	148,237
Other creditors	2,653	6,732
Accruals and deferred income	82,215	171,586
	<u>917,567</u>	<u>2,572,506</u>

**13 LOANS**

An analysis of the maturity of loans is given below.

	31 12 09	31 12.08
	£	£
Amounts falling due within one year or on demand		
Bank overdrafts	<u>59,082</u>	<u>-</u>

**14 OPERATING LEASE COMMITMENTS**

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

		Other operating leases
	31 12 09	31 12 08
	£	£
Expiring		
Between one and five years	<u>34,600</u>	<u>42,751</u>

**15 PROVISIONS FOR LIABILITIES**

	31 12 09	31 12 08
	£	£
Deferred tax	<u>-</u>	<u>16,121</u>

CITI Limited

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2009

**15 PROVISIONS FOR LIABILITIES - continued**

	Deferred tax £
Balance at 1 January 2009	16,121
Movement in provision	(16,121)
Balance at 31 December 2009	-

**16 CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid			31 12 09	31 12 08
Number	Class	Nominal value	£	£
9,000	Ordinary non-voting	£1	9,000	9,000
1,000	Ordinary A	50p	500	500
(31 12 08 - 500)				
			9,500	9,500

The existing 500 Ordinary A shares of £1 were subdivided into 1,000 Ordinary A shares of 50p each during the year

**17 RESERVES**

	Profit and loss account £
At 1 January 2009	381,799
Deficit for the year	(654,744)
Dividends	(120,000)
At 31 December 2009	(392,945)

**18 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.

**19 CONTINGENT LIABILITIES**

The company has given an unscheduled mortgage debenture, incorporating a fixed and floating charge in respect of banking facilities granted to the company. There are also cross guarantees between group company members. The borrowings at 31 December 2009, covered by these guarantees, amounted to £8,334 (2008 £33,333).

CITI Limited

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2009

**20 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.

Projman SA invoiced CITI Limited £2,133 during the year. At the year end £2,133 was outstanding from CITI Limited to Projman SA. Projman SA is owned 100% by Dr C Worsley.

Dr C Worsley is a director of both Projman SA and CITI Limited.

**21 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	31 12 09	31 12 08
	£	£
(Loss)/Profit for the financial year	(654,744)	525,573
Dividends	(120,000)	(520,000)
	<hr/>	<hr/>
Net (reduction)/addition to shareholders' funds	(774,744)	5,573
Opening shareholders' funds	391,299	385,726
	<hr/>	<hr/>
Closing shareholders' funds	(383,445)	391,299
	<hr/>	<hr/>

**22 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.