

# **EGG INVESTMENTS LIMITED**

**(Registered Number: 03403963)**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS**

**For the year ended 31 December 2009**

THURSDAY



\*APW9BMHI\*

A24

12/08/2010

55

COMPANIES HOUSE

## **EGG INVESTMENTS LIMITED**

### **DIRECTORS' REPORT**

for the year ended 31 December 2009

The Directors present their report and the financial statements of Egg Investments Limited (the 'Company') for the year ended 31 December 2009

#### **Principal activity and business review**

The Company has not traded since 2005 when the Company's customer investments were transferred to Fidelity plc. The Directors do not expect any further business to be undertaken.

As the Directors intend to liquidate the Company following the settlement of the remaining net assets, they have not prepared the financial statements on a going concern basis. The effect of this is explained in note 1a)

#### **Results**

The Company generated pre-tax losses of £nil in the year ended 31 December 2009 (2008: profit of £1 million). The Company generated a loss after tax of £nil (2008: profit of £1 million).

#### **Dividends**

There were no dividends paid in the year. The Directors do not recommend the payment of a final dividend for the year (2008: £nil).

#### **Directors**

The Directors who held office at 31 December 2009 were

S J Cumming  
J D Robson

#### **Statement of Directors' responsibilities in respect of the annual report and the financial statements**

The Directors are responsible for preparing the Annual 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 they have elected to prepare the financial statements in accordance with IFRSs as adopted by the EU 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 their profit or loss for that period. In preparing the financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether they have been prepared in accordance with IFRSs as adopted by the EU, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. As explained in note 1a) the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis.

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 its financial statements comply with the Companies Act 2006. 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **EGG INVESTMENTS LIMITED**

### **DIRECTORS' REPORT**

for the year ended 31 December 2009

#### **Directors' indemnity**

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

#### **Environment**

Initiatives designed to minimise the Company's impact on the environment include safe disposal of waste, recycling and reducing energy consumption

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

During the year the Company made no payments for charitable purposes (2008 £nil) No political donations were made during the year (2008 £nil)

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

In accordance with section 418 of the Companies Act 2006 it is stated by the Directors who held office at the date of approval of this Directors' Report that, so far as each is aware, there is no relevant audit information of which the Company's auditor is unaware, and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information This statement is made subject to all the provisions of section 418

#### **Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG Audit Plc will therefore continue in office

By order of the Board



S J Cumming  
Director

27 July 2010

Incorporated in England & Wales  
Registered office Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB  
Registered Number 03403963

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF EGG INVESTMENTS LIMITED**

We have audited the financial statements of Egg Investments Limited for the year ended 31 December 2009 set out on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU and, as regards the financial statements, as applied in accordance with the provisions of the Companies Act 2006. These accounts have not been prepared on a going concern basis for the reasons set out in note 1a) to the financial statements.

This report is made solely to the Company's member, 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 member those matters we are required to state to them in an auditors' 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 member, 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 Directors' Responsibilities Statement 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 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 APB's web-site at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

### **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 the Company's result for the year then ended,
- the financial statements have been properly prepared in accordance with IFRSs as adopted by the EU and as applied in accordance with the provisions of the Companies Act 2006, and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

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

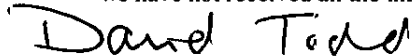
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, 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.



**David Todd (Senior Statutory Auditor)**

**for and on behalf of KPMG Audit Plc, Statutory Auditor**

*Chartered Accountants*

15 Canada Square  
London  
E14 5GL

27 July 2010

## EGG INVESTMENTS LIMITED

### STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2009

	Note	2009 £'000	2008 £'000
Interest receivable and similar income	4	-	1,256
<b>Profit before income tax</b>	3	<u>-</u>	<u>1,256</u>
Income tax	5	-	-
<b>Profit for the year</b>		<u>-</u>	<u>1,256</u>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<u><u>-</u></u>	<u><u>1,256</u></u>

The accompanying notes on pages 9 to 12 form an integral part of these financial statements

## EGG INVESTMENTS LIMITED

### BALANCE SHEET as at 31 December 2009

	Note	2009 £'000	2008 £'000
<b>Assets</b>			
Cash and cash equivalents		-	10
Amounts owed by group undertakings		21,528	21,518
<b>Total assets</b>		<u>21,528</u>	<u>21,528</u>
<b>Equity shareholder's funds</b>			
Called up share capital	6	70,000	70,000
Capital reserve		870	870
Accumulated losses		(49,342)	(49,342)
Total shareholder's funds		21,528	21,528
<b>Total liabilities and equity shareholder's funds</b>		<u>21,528</u>	<u>21,528</u>

The accompanying notes on pages 9 to 12 form an integral part of these financial statements

Approved by the Directors on 27 July 2010 and signed on their behalf by



J D Robson - Director

Registered Number 03403963

# EGG INVESTMENTS LIMITED

## STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2009

	Share Capital £'000	Capital Reserve £'000	Retained Earnings £'000	Total £'000
<b>Balance at 1 January 2008</b>	70,000	870	(50,598)	20,272
<b>Total comprehensive income for the period</b>				
Profit or loss	-	-	1,256	1,256
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	1,256	1,256
<b>Balance at 31 December 2008 and 1 January 2009</b>	70,000	870	(49,342)	21,528
<b>Total comprehensive income for the period</b>				
Profit or loss	-	-	-	-
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	-	-
<b>Balance at 31 December 2009</b>	70,000	870	(49,342)	21,528

The accompanying notes on pages 9 to 12 form an integral part of these financial statements

## EGG INVESTMENTS LIMITED

### CASH FLOW STATEMENT

for the year ended 31 December 2009

	2009 £'000	2008 £'000
<b>Cash flow from/(used in) operating activities</b>		
Profit before tax	-	1,256
<b>Net decrease/(increase) in operating assets</b>		
Amounts owed by group companies	(10)	(1,256)
<b>Net cash flow from/(used in) operating activities</b>	<u>(10)</u>	<u>-</u>
<b>Net decrease in cash and cash equivalents</b>	<u>(10)</u>	<u>-</u>
Cash and cash equivalents, beginning of the year	10	10
<b>Cash and cash equivalents, end of the year</b>	<u><u>-</u></u>	<u><u>10</u></u>

The accompanying notes on pages 9 to 12 form an integral part of these financial statements

# **EGG INVESTMENTS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **1 Principal accounting policies**

#### **a) Basis of preparation**

The financial statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the E U

In previous years, the financial statements have been prepared on a going concern basis. However, as the Directors intend to liquidate the Company following the settlement of the remaining net assets, the Directors have not prepared the financial statements on a going concern basis but on a net realisable value basis. No adjustments were necessary to the carrying amounts of assets and liabilities in preparing these financial statements at net realisable value.

In preparing these accounts the Company has adopted the following amendment to standards for the first time:

- Revised IAS 1 'Presentation of Financial Statements' is effective for periods beginning after 1 January 2009. This has resulted in a Statement of Changes in Equity being included with the primary statements and a change to the name and presentation of the Statement of Comprehensive Income.

#### **b) Interest receivable/payable and similar income/charges**

Interest income and charges are recognised in the profit and loss account as they accrue.

#### **c) Cash and cash equivalents**

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash and non-restricted balances with central banks.

#### **d) Income taxes**

Income tax payable on profits is recognised as an expense based on the applicable tax laws in each jurisdiction in the period in which profits arise. The tax effects of income tax losses available for carry-forward are recognised as a deferred tax asset if it is probable that future taxable profit will be available against which the losses can be utilised.

### **2 Use of assumptions, estimates and judgements**

The results of the Company are sensitive to the accounting policies, assumptions and estimates that underlie the preparation of its financial statements. The accounting policies used in the preparation of the financial statements are described in detail above.

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

## EGG INVESTMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 3. Profit before income tax

The statutory audit fees for 2009 and 2008 were borne by the immediate parent company

No employees were employed during 2009 (2008 nil)

#### 4. Interest receivable and similar income

	2009 £'000	2008 £'000
Interest receivable from group companies	-	1,256
	<u>-</u>	<u>1,256</u>

#### 5. Taxation

##### a) Analysis of tax charge in the year

	2009 £'000	2008 £'000
UK corporation tax based on the profit for the period	-	-
Tax charge/(credit)	<u>-</u>	<u>-</u>

##### b) Factors affecting tax credit for the year

	2009 £'000	2008 £'000
(loss)/profit on ordinary activities before tax	<u>-</u>	<u>1,256</u>
(Loss)/profit on ordinary activities x 28%	-	352
Effects of		
Adjustment due to change in tax rate	-	6
Group relief claimed for nil consideration	-	(358)
Income tax (note 5a)	<u>-</u>	<u>-</u>

# EGG INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 6 Share capital

Authorised	2009 £'000	2008 £'000
100,000,000 sterling ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
<b>Allotted, called up and fully paid up</b>	<b>2009 £'000</b>	<b>2008 £'000</b>
70,000,001 sterling ordinary shares of £1 each	<u>70,000</u>	<u>70,000</u>
<b>Ordinary shares of £1 each</b>	<b>2009 Shares</b>	<b>2008 Shares</b>
At 1 January and 31 December	<u>70,000,001</u>	<u>70,000,001</u>

### 7 Related party transaction

The Company is a wholly owned subsidiary undertaking of Egg Banking Plc, which is incorporated in England. The largest group in which the results of the Company are consolidated is that headed by Citigroup Inc which is incorporated in the United States. The Company defines related parties as the Board of Directors, their close family members, parent and fellow subsidiaries and associated companies.

A number of arm's length transactions are entered into with related parties. These include loans and deposits that provide funding to Company. Various services are provided between related parties and these are all also provided at arm's length. No provisions have been recognised in respect of loans given to related parties (2008: £nil). The table below summarises balances with related parties where Egg Banking Plc is the parent undertaking. There were no related party transactions with the ultimate parent company, Citigroup Inc.

	2009		Total £'000
	Parent undertaking £'000	Other Citigroup undertakings £'000	
<b>Assets</b>			
Amounts owed by group undertakings	21,528	-	21,528
	2008		Total £'000
	Parent undertaking £'000	Other Citigroup undertakings £'000	
<b>Assets</b>			
Amounts owed by group undertakings	21,518	-	21,518
<b>Income statement</b>			
Interest and similar income	1,256	-	1,256

## **EGG INVESTMENTS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **7 Related party transaction (continued)**

##### **Directors' remuneration**

None of the Directors received any emoluments in respect of their services to the Company during the year (2008 £nil)

Directors' emoluments are allocated to individual companies as a proportion of actual time spent. This is based on the apportionment of time incurred by the Directors for services to the Company.

#### **8. Parent company**

The Company is a subsidiary undertaking of Egg Banking Plc, which is incorporated in England.

The largest group in which the results of the Group are consolidated is that headed by Citigroup Inc. The audited consolidated financial statements of Citigroup Inc. are made 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](http://www.citigroup.com/citi/corporategovernance/ar.htm)