

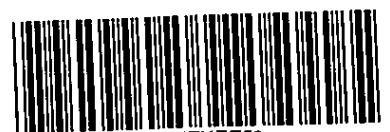
**BISYS FUND SERVICES LIMITED**

**(Registered Number: 3513482)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**for the period 1 July 2007 to 29 December 2008**

MONDAY



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# **BISYS FUND SERVICES LIMITED**

## **DIRECTORS' REPORT**

for the period 1 July 2007 to 29 December 2008

The Directors present their report and the financial statements of the Company for the period 1 July 2007 to 29 December 2008.

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

The Company was created to provide fund administration services to collective investment schemes. The Company ceased to provide services on 30 September 2004. The Company's senior management is actively seeking opportunity to place the Company into liquidation.

The Company made a profit after tax for the period of £12,342 (2007: profit £5,425).

### **Key financial performance indicators**

The Company's senior management consider that the financial results indicated above are the key financial performance indicators for the operations of the Company.

Citigroup Inc. manages its operations on a divisional basis and the Company's results are included in the banking and markets results of Citigroup Inc.. For that reason, the Directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business.

### **Risks and uncertainties**

The principal risk which the Company is exposed to is operational risk. The operational risks of the Company are subject to periodic reviews by Citigroup Internal Audit and risk and control self assessment reviews conducted by management.

### **Dividends**

No dividends were paid by the Company during the period (2007: £nil)

### **Directors and their interests**

The Directors who held office at 29 December 2008 were:

S J Cumming	(appointed 16 March 2009)
J D Robson	(appointed 16 March 2009)

B Treff resigned as a Director with effect from 17 March 2009.

None of the Directors nor their immediate families had, at any time during the period, any interest in the shares of or contracts with the Company.

### **Termination basis**

On 30 September 2004 the company ceased to provide services. The Company is in the process of being wound down and therefore the directors no longer deem it appropriate to prepare the financial statements on the going concern basis. Therefore, these financial statements have been prepared on a termination basis.

### **Directors' indemnity**

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

# **BISYS FUND SERVICES LIMITED**

## **DIRECTORS' REPORT**

for the period 1 July 2007 to 29 December 2008

### **Directors' responsibilities for financial statements**

The Directors are responsible for preparing the Directors' Report and Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial period. Under that law they were elected to prepare the financial statements in accordance with UK Accounting Standards.

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 judgments 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 the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records that 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 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.

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

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each 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 ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

By order of the Board



**J D Robson**  
Director

22 October 2009

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

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF BISYS FUND SERVICES LIMITED**

We have audited the financial statements of BISYS Fund Services Limited for the period ended 29 December 2008 which comprise the Profit and Loss Account, the Balance Sheet and 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, as a body, 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' responsible 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 Director's Responsibilities on page 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 judgements 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 29 December 2008 and of its profit for the period 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

22 October 2009

## BISYS FUND SERVICES LIMITED

### PROFIT AND LOSS ACCOUNT

for the period 1 July 2007 to 29 December 2008

	Note	2008 £	2007 £
Interest receivable		17,304	56,029
Other income	4	28,192	-
Administrative expenses	3	(33,154)	(50,604)
<b>Profit on ordinary activities before taxation</b>		<u>12,342</u>	<u>5,425</u>
Taxation	5	-	-
<b>Profit for the period</b>		<u><u>12,342</u></u>	<u><u>5,425</u></u>

The Company had no recognised gains or losses during the period other than those reflected in the above profit and loss account and therefore no separate statement of total recognised gains and losses has been presented.

All results above relate to discontinuing operations.

# BISYS FUND SERVICES LIMITED

## BALANCE SHEET

as at 29 December 2008

	Note	2008 £	2007 £
<b>Current assets</b>			
Debtors	6	1,434,790	3,397,171
Cash at bank and in hand		<u>2,842</u>	<u>24,585</u>
		1,437,632	3,421,756
<b>Creditors: amounts falling due within one year</b>	7	(22,580)	(2,019,046)
<b>Net current assets</b>		<u>1,415,052</u>	<u>1,402,710</u>
<b>Capital and reserves</b>			
Called up share capital	8	2,000,000	2,000,000
Share premium	9	2,316,179	2,316,179
Profit and loss account	9	(2,901,127)	(2,913,469)
<b>Total shareholders' funds</b>	9	<u>1,415,052</u>	<u>1,402,710</u>

The financial statements on pages 4 to 8 were approved by the Directors on 22 October 2009 and signed on their behalf by:



**S J Cumming**  
Director

# BISYS FUND SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Principal accounting policies

#### a) Basis of presentation

The financial statements are prepared under the historical cost accounting rules and in accordance with applicable accounting standards.

In accordance with Financial Reporting Standard No. 1, 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 publicly available.

#### b) Accounting convention

These financial statements are prepared on a termination basis.

#### c) Foreign Currencies

Assets and liabilities expressed in foreign currencies are translated at rates of exchange ruling at the balance sheet date. Differences arising on translation are included in the results for the period.

#### d) Taxation

Corporation tax is provided on taxable profits/losses at the current tax rate.

Full provision is made for deferred tax assets and liabilities arising from timing differences between the recognition of gains and losses in the financial statements and their treatment for tax purposes on an undiscounted basis. Deferred tax assets are recognised to the extent that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

### 2. Going concern

The Company's senior management is actively seeking opportunity to place the Company into liquidation.

### 3. Administrative expenses

Included within administrative expenses is auditor's remuneration as follows:

	2008 £	2007 £
Auditor's remuneration:		
- Fees payable for the audit of the annual statutory accounts	<u>7,000</u>	<u>4,718</u>

None of the Directors received any emoluments in respect of their services to the Company during the period (2007: nil).

### 4. Other income

The other income was related to a reduction in provision made for the liquidation of the Company.

# BISYS FUND SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 5. Tax on (Loss)/profit on ordinary activities

(a) Analysis of the tax charge for the period:

	2008 £	2007 £
<b>Current tax:</b>		
UK corporation tax on profit for the period	-	-
Total current tax (note 5b)	<u>-</u>	<u>-</u>

(b) Factors affecting tax charge for the period:

	2008 £	2007 £
(Loss)/Profit on ordinary activities before taxation	<u>12,342</u>	<u>5,425</u>
(Loss)/Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2007:30%)	3,456	1,627
Effects of:		
Expenses not deductible	-	10,547
Losses carried forward	(3,579)	(12,174)
Adjustment due to change in tax rate	123	-
Total current tax charge (note 5a)	<u>-</u>	<u>-</u>

### 6. Debtors

	2008 £	2007 £
Other debtors	-	1,958,626
Amounts due from parent undertakings	1,434,788	1,434,788
VAT refund	2	3,757
	<u>1,434,790</u>	<u>3,397,171</u>

### 7. Creditors: amounts falling due within one year

	2008 £	2007 £
Trade creditors	-	3,228
Other creditors	-	1,958,626
Accruals	22,580	57,192
	<u>22,580</u>	<u>2,019,046</u>

The other creditors are amounts due to group undertakings.



# BISYS FUND SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 8. Called up share capital

	2008 £	2007 £
Authorised		
Ordinary shares of £1 each	<u>2,000,000</u>	<u>2,000,000</u>
Allotted, called up and fully paid		
Ordinary shares of £1 each	<u>2,000,000</u>	<u>2,000,000</u>

### 9. Total shareholders' funds

	Share capital £	Share premium £	Profit and loss account £	Total shareholders' funds £
At 1 July	2,000,000	2,316,179	(2,913,469)	1,402,710
Profit for the financial period	-	-	12,342	12,342
<b>At 29 December</b>	<u>2,000,000</u>	<u>2,316,179</u>	<u>(2,901,127)</u>	<u>1,415,052</u>

The share premium arose on the issue of 300,000 ordinary shares of £1 each during the year ended 30 June 2002.

### 10. Contingent liability

Following the court case taken by Abbey National plc, the European Court of Justice has held that fund administration services such as those provided by the Company should be exempt from VAT. In January 2008, the HM Revenue and Customs (HMRC) repaid output VAT to the Company of £1,958,626. The Company has refunded this amount to the clients during the financial period. In addition, the Company is committed to refund the full amount of any future reimbursement received from HMRC to the clients.

### 11. Group structure

BISYS Fund Services Limited is 78% owned by BGH International LLC, and 22% owned by BISYS Offshore Holdings Ltd. The Company's ultimate parent company is Citigroup Inc., which is incorporated in the United States of America under the laws of the State of Delaware.

The smallest group in which the results of the accounts are consolidated is that headed by Citibank N.A. 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, United Kingdom.

The largest group in which the results of the Company 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).