

PALL MALL DIRECTORIES LIMITED

Registered number: 5355303

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

for the year ended 31 March 2014



LD2

19/12/2014

#202

COMPANIES HOUSE

PALL MALL DIRECTORIES LIMITED

DIRECTORS' REPORT

for the year ended 31 March 2014

The Directors present their report and the financial statements of Pall Mall Directories Limited ("the Company") for the year ended 31 March 2014, which have been prepared in accordance with the provisions of the Companies Act 2006.

Principal activities

Pall Mall Directories Limited is an investment holding company whose principal objective is to make and manage investments. The Company holds an 11.39% investment in European Directories SA (EDSA). This is currently carried at a book value of £nil (2013: £nil). Any further substantial recovery on this investment is considered unlikely as control of the EDSA group of companies has gone to its senior bank lenders and the retained entities are entering the final stages of liquidation.

Results and dividends

The profit for the year, after taxation, amounted to £2,284 thousand (2013: loss of £1,047 thousand).

The 2014 profit after tax resulted from a net foreign exchange gain of £2,284 thousand (2013: loss of £1,047 thousand) on assets and liabilities in foreign currencies.

The Company's net liability position is £118,506 thousand as at 31 March 2014 compared to the £120,790 thousand net liability position as at 31 March 2013.

The Directors do not propose to pay a dividend (2013: £nil).

Going Concern

The Company is in the process of exiting its investment holdings business and it is anticipated that this will be completed within 12 months after the balance sheet date. Subsequent to this, the Directors do not intend to continue trading, therefore these financial statements have not been prepared on a going concern basis.

Key performance indicators

Given the nature of the business, the Company's Directors are of the opinion that an analysis using KPI's is not necessary for an understanding of the development, performance or position of the business.

Principal risks and uncertainties

Foreign exchange risk

The Company has investments denominated in Euros and has matched this risk by also borrowing the full amount of the investment in Euros. Currently, as the investment value is £nil, the borrowings from the parent company remain unmatched.

Directors

The Directors who served during the year were:

S J Cumming
M A Livingstone

PALL MALL DIRECTORIES LIMITED

DIRECTORS' REPORT

for the year ended 31 March 2014

Directors' indemnity

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

Directors' responsibilities statement

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 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 judgments and accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business. As disclosed in note 1(b) to the financial statements, the Directors do not believe it is appropriate to prepare the accounts 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 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.

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.

Political and charitable contributions

There were no charitable donations or any contributions for political purposes made by the Company during the year (2013: £nil).

Provision of information to auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any information needed by the Company's auditor in connection with preparing its report and to establish that the Company's auditor is aware of that information.

PALL MALL DIRECTORIES LIMITED

DIRECTORS' REPORT

for the year ended 31 March 2014

Auditor

KPMG Audit plc resigned as auditor on 20 May 2014 pursuant to section 516 of the Companies Act 2006. The Members appointed KPMG LLP as auditor of the Company in accordance with section 485 of the Companies Act 2006. Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be re-appointed and KPMG LLP will therefore continue in office.

This report was approved by the board and signed on its behalf.



S J Cumming
Director

Date: 18 December 2014

Citigroup Centre
Canada Square
Canary Wharf
London
E14 5LB

Incorporated in England and Wales
Registered Number: 5355303

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PALL MALL DIRECTORIES LIMITED

We have audited the financial statements of Pall Mall Directories Limited (the "Company") for the year ended 31 March 2014 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice). These financial statements have not been prepared on the going concern basis for the reason set out in note 1 to the financial statements.

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 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 March 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

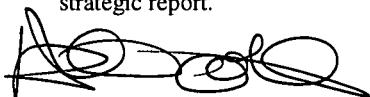
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the 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 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 take advantage of the small companies exemption from the requirement to prepare a strategic report.



Karyn Nicoll (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
15 Canada Square
Canary Wharf
London
E14 5GL

18 December 2014

PALL MALL DIRECTORIES LIMITED

PROFIT AND LOSS ACCOUNT for the year ended 31 March 2014

	Note	2014 £'000	2013 £'000
Foreign exchange gain/(loss)		2,284	(1,047)
Profit/(loss) on ordinary activities		<u>2,284</u>	<u>(1,047)</u>
Tax on profit/(loss) on ordinary activities	4	-	-
Profit/(loss) for the financial year	9	<u><u>2,284</u></u>	<u><u>(1,047)</u></u>

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and Loss Account.

The notes on pages 8 to 12 form part of these financial statements.

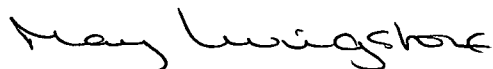
PALL MALL DIRECTORIES LIMITED

BALANCE SHEET as at 31 March 2014

	Note	2014 £'000	2013 £'000
Fixed assets			
Investments	5	-	-
Creditors: amounts falling due within one year	6	<u>(162)</u>	<u>(162)</u>
Total assets less current liabilities		(162)	(162)
Creditors: amounts falling due after more than one year	7	<u>(118,344)</u>	<u>(120,628)</u>
Net liabilities		<u><u>(118,506)</u></u>	<u><u>(120,790)</u></u>
Capital and reserves			
Called up share capital	8	-	-
Profit and loss account	9	<u>(118,506)</u>	<u>(120,790)</u>
Equity shareholder's funds		<u><u>(118,506)</u></u>	<u><u>(120,790)</u></u>

The notes on pages 8 to 12 form a part of these financial statements.

The financial statements were approved and authorised for issue by the Directors and were signed on their behalf on 18 December 2014.



M A Livingstone
Director

Registered number: 5355303

PALL MALL DIRECTORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies

a) Basis of preparation of financial statements

The financial statements have not been prepared as a going concern and have therefore been prepared on a net realisable value basis.

b) Going concern

The Directors do not intend to continue business activities after the final liquidation of the Company's current investment and so the going concern basis of preparation has not been adopted. No adjustments were necessary to the amounts at which the remaining net assets are included in these financial statements.

c) Investments

Investments held as fixed assets are shown at cost less provision for impairment.

Impairment provisions are recognised where, in the Directors' opinion, the recoverable value of the investment is lower than cost and is expected to remain so for the long term. The recoverable value of the investment is calculated using a discounted cash flow of future recoverable amounts including, often, the sale of the investment. Significant judgment on the part of the Directors is required.

d) Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

e) Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and Loss Account.

PALL MALL DIRECTORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies (continued)

f) Future changes to accounting standards

In 2012 and 2013 the Financial Reporting Council (FRC) revised the financial reporting standards for the United Kingdom and Republic of Ireland. This revision fundamentally reforms financial reporting, replacing almost all extant standards with three Financial Reporting Standards which is effective for periods beginning on or after 1 January 2015.

- FRS 100 'Application of Financial Reporting Requirements' sets out a new financial reporting regime explaining which standards apply to which entity and when an entity can apply the reduced disclosure framework.
- FRS 101 'Reduced Disclosure Framework' sets out the disclosure exemptions for the individual financial statements of subsidiaries, including intermediate parents, and ultimate parents that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted International Financial Reporting Standards (IFRS).
- FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' is a single financial reporting standard that applies to the financial statements of entities that are not applying EU-adopted IFRS, FRS 101 or the FRSE.

The Company is currently assessing the impact of the FRC revision of the financial reporting standards effective 1 January 2015.

2. Auditor's remuneration

	2014	2013
	£	£
Auditor's remuneration	<u>7,500</u>	<u>7,500</u>

The audit fees of £7,500 were borne by the parent company in the current year (2013: £7,500).

3. Directors' emoluments and employee information

The Company has no employees other than the Directors, who did not receive any remuneration (2013: £nil). All services were rendered by group employees without recharge.

PALL MALL DIRECTORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

4. Taxation

The tax assessed for the year is lower than (2013: higher than) the standard rate of corporation tax in the UK of 23% (2013: 24%). The differences are explained below:

	2014 £'000	2013 £'000
Profit/(loss) on ordinary activities before tax	2,284	(1,047)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 23% (2013: 24%)	525	(251)
Effects of		
Expenses not deductible for tax purposes	(525)	251
Current tax charge for the year	-	-

The main rate of corporation tax for the year beginning 1 April 2013 reduced from 24% to 23%.

The UK Government announced that the corporation tax rate will reduce to 21% from 1 April 2014 and 20% from 1 April 2015. The reduction in corporation tax rate to 21% and 20% was enacted in July 2013.

Deferred tax has been calculated at 20% which was the rate substantively enacted at 31 March 2014.

The company has an unrecognised deferred tax asset of £17 million (2013: £19 million) in respect of carried forward non-trading deficits and excess management expenses. The company has not recognised a deferred tax asset on these losses as it is not regarded more likely than not that there will be suitable future taxable profits available against which these losses can be utilised.

5. Fixed asset investments

	2014 £'000
Cost or valuation	
At 1 April 2013	86,282
Foreign exchange revaluation	(1,634)
At 31 March 2014	84,648
Impairment	
At 1 April 2013	86,282
Foreign exchange revaluation	(1,634)
At 31 March 2014	84,648
Net book value	
At 31 March 2014	-
At 31 March 2013	-

PALL MALL DIRECTORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

5. Fixed asset investments (continued)

The investment represents an 11.4% (2013: 11.4%) shareholding in European Directories SA and is stated at cost less impairment. The investment consists of a portfolio of shares at a cost of €819 thousand or £677 thousand and convertible zero coupon 2015 loan notes at a cost of €101,539 thousand or £83,971 thousand (2013: €819 thousand or £690 thousand and €101,539 thousand or £85,593 thousand respectively) although both of these are now held at a Directors' valuation of £nil (2013: £nil).

6. Creditors:

Amounts falling due within one year

	2014 £'000	2013 £'000
Amounts due to parent company	<u>162</u>	<u>162</u>

The amounts due to parent company are unsecured, non-interest bearing and repayable on demand.

7. Creditors:

Amounts falling due after more than one year

	2014 £'000	2013 £'000
Amounts due to parent company	<u>118,344</u>	<u>120,628</u>

The amounts due to parent company are unsecured and are repayable on 31 March 2017. Interest accruals have been suspended since 31 March 2010 and are only payable on demand by the note-holder. The loan principal amount of €109,059 thousand plus €34,042 thousand accrued interest did not change during the year, but on the equivalent sterling amounts the Company realised a foreign exchange profit of £2,284 thousand (2013: loss of £1,047 thousand).

8. Called up Share capital

	2014 £	2013 £
Alloted called up and fully paid		
1 Ordinary shares of £1 each	<u>1</u>	<u>1</u>

9. Reconciliation in movement in shareholder's funds

	2014 £'000	2013 £'000
Opening shareholder's deficit	(120,790)	(119,743)
Profit/(loss) for the year	2,284	(1,047)
Closing shareholder's deficit	<u>(118,506)</u>	<u>(120,790)</u>

PALL MALL DIRECTORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

10. Related party transactions

As 100 % of the Company's voting rights are controlled by Citigroup Capital UK Limited, the Company has taken advantage of the exemption contained in FRS 8 'Related Party Disclosures' and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties).

11. Ultimate parent undertaking and controlling party

The Company is a wholly owned subsidiary undertaking of Citigroup Capital UK Limited, which is incorporated in the United Kingdom. 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 audited consolidated financial statements of Citigroup Capital UK Limited are made available to the public annually in accordance with Companies House regulations and may be obtained from its registered office at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB.

The audited consolidated statements of the ultimate parent are made available to the public annually in accordance with the Securities and Exchange Commission regulations and may be obtained from www.citigroup.com/citi/corporategovernance/ar.htm.