

AUSINV 2007 LIMITED

Registered number: 5920987

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended 31 March 2012

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AUSINV 2007 LIMITED

DIRECTORS' REPORT for the year ended 31 March 2012

The Directors present the annual report and audited financial statements of AUSINV 2007 Limited for the year ending 31 March 2012

Principal activities and business review

The principal activity of AUSINV 2007 Limited ("the Company") is that of an investment holding company. The Company holds a 20% ordinary shareholding in Pall Mall Leasing (Australia) Limited and a 20% ordinary shareholding in AUS Holdings (2007) Limited.

Results and dividends

The loss for the year, after taxation, amounted to £449 thousand (2011 - loss £281 thousand).

The loss after tax was due to the net foreign exchange loss of £449 thousand on assets and liabilities in foreign currencies (2011 - £281 thousand).

The Company's net liability position was £25,201 thousand as at 31 March 2012 compared to the £24,752 thousand net liability position as at 31 March 2011.

During the previous year, the Company redenominated its loan notes with Pall Mall Leasing (Australia) Limited and certain of its loans notes issued to Citigroup Capital UK Limited (its parent company) from Australian and New Zealand Dollars into Pounds Sterling. This was in order to reduce the impact of foreign currency exchange movement in group companies.

The Directors do not propose to pay a dividend (2011 - £nil).

Going concern

The Company continues to act as a holding company and to enjoy the support of its parent company, Citigroup Capital UK Limited. The directors consider that the Company has access to sufficient funding to allow it to meet its obligations as and when they fall due for a period of at least 12 months from the date of approval of these financial statements and so the going concern basis of preparation is appropriate.

Political and charitable contributions

The Company made no political contributions or donations to UK charities during the year (2011 - £nil).

Key financial performance indicators

Management monitors progress made on the Company's key business strategy by focusing on the profitability and cash flows of individual investments, although the profitability trend can be quite unpredictable, depending on the timing of the exit of investments.

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.

AUSINV 2007 LIMITED

DIRECTORS' REPORT

for the year ended 31 March 2012

Principal risks and uncertainties

Financial risk management

The nature of the Company's operations has exposed it to a number of financial risks, primarily in relation to liquidity risk, credit risk and foreign exchange risk. The Company's business plan lends itself to matching borrowing terms to investment terms.

The principal risks facing the business are described below.

Liquidity risk

The Company had agreed that its funding requirements will be met from borrowings solely from its parent company and does not intend to utilise third party finance. The liquidity risk was managed with borrowings having a term matched with the loan note receivables. The investment horizon period was expected to be 3-5 years.

Credit risk

The Company has implemented policies that require appropriate understanding of the expected returns on capital invested. The amount of exposure to any individual counterparty is subject to a limit which is reassessed should additional funding be requested. Impairment provisions have been made, if appropriate, in the event of any adverse change in the counterparty credit risk.

Foreign exchange risk

The Company had investments denominated in New Zealand Dollars, and had matched this risk by also borrowing the full amount of the investment in New Zealand Dollars from its parent company. Refer to Notes 7 and 9 for further details. The Company is now exposed to foreign exchange risk only on its long-term foreign currency loans.

Directors

The Directors who served during the year were:

V Fandozzi (resigned 30 September 2011)

M Livingstone

S J Cumming (appointed 3 October 2011)

Qualifying third party indemnity provisions

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

Principal place of business

The Company is managed and controlled in the UK. In the prior years the office of the Company and the location of board meetings was 100 Pall Mall, London, SW1Y 5NN. The trading address moved from 100 Pall Mall, London, SW1Y 5NN to Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB as of 8 July 2011. The registered address of the Company is Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB.

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.

Post balance sheet events

On 18 May 2012 all rights and entitlements to the amount of intercompany loan notes and related interests due from Aus Holdings (2007) Limited of £5,975 thousand as at 31 March 2012 were waived by the Company. This had no adjusting effect on the balance sheet as at 31 March 2012, as the carrying value of the receivable was £nil.

AUSINV 2007 LIMITED

DIRECTORS' REPORT for the year ended 31 March 2012

Auditor

Under section 487(2) of the Companies Act 2006, KPMG Audit Plc will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier

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



S J Cumming
Director

Date 12 December 2012

Citigroup Centre
Canada Square, Canary Wharf
London
E14 5LB
Registered number 5920987

AUSINV 2007 LIMITED

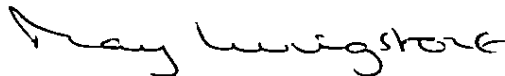
DIRECTORS' RESPONSIBILITIES STATEMENT for the year ended 31 March 2012

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 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.

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.



M Livingstone
Director

Date 12 December 2012

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF AUSINV 2007 LIMITED

We have audited the financial statements of AUSINV 2007 Limited for the year ended 31 March 2012, set out on pages 6 to 12. 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 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, 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 Auditing Practices Board's website at www.frc.org.uk/apb/scope/private.cfm.

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 2012 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 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.



K Nicoll (Senior statutory auditor)

for and on behalf of
KPMG Audit Plc

Statutory auditor

15 Canada Square
Canary Wharf
London
E14 5GL

12 December 2012

AUSINV 2007 LIMITED

PROFIT AND LOSS ACCOUNT for the year ended 31 March 2012

	Note	2012 £000	2011 £000
Foreign exchange loss	2	(449)	(281)
		<hr/>	<hr/>
Loss on ordinary activities before taxation		(449)	(281)
Tax on loss on ordinary activities	5	-	-
		<hr/>	<hr/>
Loss for the financial year	10	(449)	(281)
		<hr/> <hr/>	<hr/> <hr/>

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the Profit and Loss Account


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

AUSINV 2007 LIMITED
Registered number: 5920987

BALANCE SHEET
as at 31 March 2012

	Note	2012 £000	2011 £000
Fixed assets			
Investments	6	-	-
Creditors: amounts falling due within one year	7	(35)	(35)
Total assets less current liabilities		(35)	(35)
Creditors: amounts falling due after more than one year	8	(25,166)	(24,717)
Net liabilities		(25,201)	(24,752)
Capital and reserves			
Called up share capital	9	-	-
Profit and loss account	10	(25,201)	(24,752)
Shareholders' deficit		(25,201)	(24,752)

The financial statements were approved and authorised for issue by the Directors and were signed on their behalf on 12 December 2012



M Livingstone
Director

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

AUSINV 2007 LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2012

1. Accounting Policies

1.1 Basis of preparation of financial statements

These accounts have been prepared under the historical cost convention and in accordance with the Companies Act 2006, and with applicable Accounting Standards issued by the Accounting Standards Board

1.2 Going concern

The Company continues to act as a holding company and to enjoy the support of its parent company, Citigroup Capital UK Limited. The Directors consider that the Company has access to sufficient funding to allow it to meet its obligations as and when they fall due for a period of at least 12 months from the date of approval of these financial statements and so the going concern basis of preparation is appropriate.

1.3 Cash flow

The Company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.4 Investments

Investments held as fixed assets are shown at cost less provision for diminution of value.

Loans to associates, equity shares and other similar interests intended to be held for the long term or to maturity are treated as fixed asset investments, and are valued at cost less provision for permanent diminution in value.

The intention of holding each asset is regularly reviewed and if appropriate, the investment classification altered accordingly.

1.5 Provisions for diminution in value

Diminution provisions are recognised where the net asset value of the investee company falls below cost. If, after an impairment loss has been recognised, the recoverable amount of the fixed asset investment increases, the impairment loss is reversed and recognised in the current period.

1.6 Taxation

The charge for taxation is based on the loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

1.7 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.

AUSINV 2007 LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2012

2. Other operating income

	2012 £000	2011 £000
Foreign exchange loss	(449)	(281)

3 Auditor's remuneration

The audit fees of £9,000 were borne by the parent company in the current year (2011 - £9,000)

4. Directors' emoluments and employee information

The Company has no employees other than the Directors, who did not receive any remuneration (2011 - £nil) Services were rendered by group employees without recharge

5. Taxation

	2012 £000	2011 £000
UK corporation tax charge on loss for the year	-	-

Factors affecting tax charge for the year

	2012 £000	2011 £000
Loss on ordinary activities before tax	(449)	(281)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (2011 - 28%)	(117)	(79)

Effects of:

Expenses not deductible for tax purposes, other than goodwill amortisation and impairment

117	79
-	-

Current tax charge for the year (see note above)

-	-
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A deferred tax asset of £6 thousand relating to losses (2011 - £7 thousand relating to losses) has not been recognised as its recoverability from future taxable profit cannot be assessed with sufficient certainty

The main rate of UK corporation tax for the year beginning 1 April 2011 was reduced from 28% to 26% in the Finance Bill 2011 and the 2012 Budget on 21 March 2012 announced that the UK corporation tax rate will reduce to 22% by 2014. A reduction in the rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011 and a further reduction to 24% (effective from 1 April 2012) was substantively enacted on 26 March 2012. This will reduce the Company's future current tax charge accordingly and further reduce the unrecognised deferred tax asset at 31 March 2012 (which has been calculated based on the rate of 24% substantively enacted at the balance sheet date) by £0.5 thousand.

It has not yet been possible to quantify the full anticipated effect of the announced further 2% rate reduction, although this will further reduce the Company's future current tax charge and reduce the Company's unrecognised deferred tax asset accordingly.

The weighted average corporate tax rate for 2012 was 26% (2011 - 28%)

AUSINV 2007 LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2012

6. Fixed asset investments

	Loans to associates £000
Cost or valuation	
At 1 April 2011	24,717
Foreign exchange revaluations	449
	<hr/>
At 31 March 2012	25 166
Impairment	
At 1 April 2011	24 717
Foreign exchange revaluations	449
	<hr/>
At 31 March 2012	25,166
Net book value	
At 31 March 2012	-
	<hr/>
At 31 March 2011	-
	<hr/>

Loans to associates include intercompany loan notes of Pall Mall Leasing (Australia) Limited of £19,191 thousand (2011 - £19,191 thousand) and AUS Holdings (2007) Limited of £5,975 thousand (2011 - £5,526 thousand). The interest charge has been suspended as of 1 April 2009 as the Company has waived any rights to the interest accrual. The loan notes are repayable in full on maturity in 2016 and are unsecured. Since November 2010 the loan notes are denominated in Pounds Sterling and New Zealand Dollars.

Based on the constant net liability position of the counterparties, management considers the amounts being fully irrecoverable, and a provision was recognised on the total balance on the amounts receivable from group undertakings.

Additionally, the Company has fixed asset investments in these same companies. Cost of these investments at 31 March 2012 totalled £22 (2011 - £22). Investments are held at cost. The Company's investments are:

Associates

Name	Country of incorporation	Class of shares	Holding	Principal activity
Pall Mall Leasing (Australia) Limited	UK	Ordinary	20%	Holding company
AUS Holdings (2007) Limited	UK	Ordinary	20%	Holding company

7. Creditors:

Amounts falling due within one year

	2012 £000	2011 £000
Amounts owed to group undertakings	35	35
	<hr/>	<hr/>

Amount due to parent company is unsecured and interest free

AUSINV 2007 LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2012

8. Creditors: Amounts falling due after more than one year

	2012 £000	2011 £000
Amounts due to parent company	25,166	24,717

Amounts due to Citigroup Capital UK Limited (parent company) are unsecured and repayable in 2016. Interest payable on these loans was suspended from 1 April 2009 as the parent company waived any rights to the interest accrual. In November 2010, the Company redenominated certain of these loan notes issued from Australian and New Zealand Dollars into Pounds Sterling. The total amount of £25,166 thousand (2011 - £24,717 thousand) contained £4,553 thousand (2011 - £4,469 thousand) of accrued interests.

The change of the total balance during 2012 was due to the foreign exchange movement on the remaining loan notes denominated in New Zealand Dollar, with a total principal balance of NZD 9,472 thousand (2011 - NZD 9,472 thousand).

9. Called up share capital

	2012 £	2011 £
Authorised		
1,000 Ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid		
1 Ordinary share of £1	1	1

10. Reserves

	Profit and loss account £000
At 1 April 2011	(24,752)
Loss for the year	(449)
At 31 March 2012	(25,201)

11. Related party transactions

As 100% of the Company's voting rights are held 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).

12. Post balance sheet events

On 18 May 2012 all rights and entitlements to the amount of intercompany loan notes and related interests due from AUS Holdings (2007) Limited of £5,975 thousand as at 31 March 2012 were waived by the Company. This had no adjusting effect on the balance sheet as at 31 March 2012, as the carrying value of the receivable was £nil.

AUSINV 2007 LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2012

13. Ultimate parent undertaking and controlling party

The Company's immediate parent undertaking is Citigroup Capital UK Limited, a company registered in England and Wales, which is the parent undertaking of the smallest group that presents consolidated financial statements including the results of the Company. The Company's ultimate parent company and ultimate controlling party is Citigroup Inc, incorporated in the State of Delaware, United States of America.

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 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.