

CITICAPITAL LEASING (MARCH) LIMITED

Registered number: 01584166

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

for the year ended 31 March 2018



CITICAPITAL LEASING (MARCH) LIMITED

DIRECTORS' REPORT

for the year ended 31 March 2018

The Directors present their report and the financial statements of CitiCapital Leasing (March) Limited (the "Company") for the year ended 31 March 2018, which have been prepared in accordance with the provisions of the Companies Act 2006.

Principal activity and business review

The Company's principal activity was the leasing out of plant and equipment. The Company's lessor agreement matured on 20 August 2013 and the leased assets were sold to a third party, however, the Company is still entitled to secondary period lease rental income on the leased assets.

Results

The Company made loss before tax of £6 thousand compared to profit before tax £3 thousand in the previous year.

The Company's loss after tax for the year was £13 thousand compared to a loss of £8 thousand in the previous year. The loss after tax was mainly driven by a tax charge of £7 thousand due to timing adjustments and a decrease in the tax rate reducing the deferred tax asset.

Costs

Operating expenses were £15 thousand driven by the cost of the Company's external audit for the annual statutory accounts (2017: £15 thousand).

Balance sheet

The Company's net assets position was £9,534 thousand as at 31 March 2018 (2017: £9,547 thousand).

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.

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.

Going concern basis

The Financial Statements have been prepared on a going concern basis taking into account the resources available to the Company relative to its current operations. The Directors are satisfied that the Company has the resources to continue in business for the foreseeable future. In making this assessment, the Directors have considered a wide range of information relating to present and future conditions. Further information relevant to this assessment is provided in the principal activity and business review and the strategy sections of these financial statements.

Principal risks

Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people or systems, or external events. To anticipate, mitigate and control operational risk, Citigroup maintains a system of policies and has established a consistent framework for monitoring, assessing and communicating operational risks and the overall effectiveness of the internal control environment across Citigroup.

Credit risk

The Company mitigates this risk through monitoring customer payments and tracking any emerging delinquencies. The main credit risk at the 2018 year end is on the Company's cash deposits with related parties. The Company monitors and reconciles these exposures but does not actively manage or mitigate them.

The Company is exposed to credit risk to the extent the contractual payments on the secondary lease rental are not met.

Strategy

Directors intend to keep the Company open for the foreseeable future in order to participate in any suitable leasing transactions that may arise.

CITICAPITAL LEASING (MARCH) LIMITED

DIRECTORS' REPORT

for the year ended 31 March 2018

Dividends

No dividends were paid by the Company during the financial year (2017: £nil) and the Directors do not recommend payment of a dividend.

Strategic Report

Section 414B of the Companies Act 2006 states that a company is entitled to the small companies exemption in relation to the strategic report for the financial year if it would be so entitled but for being a member of an ineligible group. The Company has elected to exercise this exemption in relation to the preparation of a Strategic Report for this financial year as it meets the definition of a small company.

Employees

The Company had no employees during the current and preceding year (2017: nil).

Directors and their interests

The Directors who held office at 31 March 2018 were:

A M Barkle
J D Kinsella

Directors' indemnity

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

Statement of Directors' responsibilities in respect of the Directors' Report and the 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 year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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 they have been prepared in accordance with UK Accounting Standards;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.

CITICAPITAL LEASING (MARCH) LIMITED

DIRECTORS' REPORT

for the year ended 31 March 2018

Political and charitable donations

There were no charitable donations or any contributions for political purposes made by the Company during the year (2017: £nil).

Disclosure of information to Auditor

In accordance with section 418, Companies Act 2006 and subject to all the provisions of section 418, 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 / she ought to have taken as a Director to make himself / herself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board



A M Barkle
Director

22 November 2018

Registered in England and Wales

Registered Office: Citigroup Centre Canada Square Canary Wharf London E14 5LB

Registered Number: 01584166

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CITICAPITAL LEASING (MARCH) LIMITED

Opinion

We have audited the financial statements of CitiCapital Leasing (March) Limited ("the Company") for the year ended 31 March 2018 which comprise the income statement, balance sheet, statement of changes in equity and related notes, including the principal accounting policies in Note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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 take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CITICAPITAL LEASING (MARCH) LIMITED

Directors' responsibilities

As explained more fully in their 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.


Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Matthew Davies (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

15 Canada Square
London, E14 5GL
22 November 2018

CITICAPITAL LEASING (MARCH) LIMITED

INCOME STATEMENT

for the year ended 31 March 2018

	Notes	2018 £'000	2017 £'000
Turnover	2	9	18
Gross profit		9	18
Administrative expenses	3	(15)	(15)
(Loss)/Profit before taxation		(6)	3
Tax charge on profit	5	(7)	(11)
Loss for the year		(13)	(8)

There was no other comprehensive income or losses for 2018 or 2017 other than those included in the Income Statement.

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

CITICAPITAL LEASING (MARCH) LIMITED

BALANCE SHEET

as at 31 March 2018

	Notes	2018 £'000	2017 £'000
Current assets			
Cash at bank and in hand	6	9,549	9,527
Deferred tax	8	30	37
		<hr/>	<hr/>
		9,579	9,564
Creditors:			
Amounts falling due within one year	7	(45)	(17)
		<hr/>	<hr/>
Net current assets		9,534	9,547
		<hr/>	<hr/>
Net assets		9,534	9,547
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	9	-	-
Profit and loss account		9,534	9,547
		<hr/>	<hr/>
Total shareholders' funds		9,534	9,547
		<hr/>	<hr/>

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

The financial statements were approved by the Directors on 22 November 2018 and signed on their behalf by:



J D Kinsella
Director

Registered Number: 01584166

CITICAPITAL LEASING (MARCH) LIMITED

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2018

	Share capital	Profit and loss account	Total
	£'000	£'000	£'000
As at 1 April 2016	-	9,555	9,555
Loss for the year	-	(8)	(8)
As at 1 April 2017	-	9,547	9,547
Loss for the financial year	-	(13)	(13)
As at 31 March 2018	-	9,534	9,534

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

CITICAPITAL LEASING (MARCH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. Principal accounting policies

The principal accounting policies which have been applied consistently throughout the current and preceding year are set out below:

a) Basis of preparation

The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable UK Generally Accepted Accounting Practice.

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company has taken exemption available under FRS 101 not to disclose all transactions with other group companies and investees of the group qualifying as related parties. It has also taken the exemption available under FRS 101 not to prepare a cash flow statement, the effects of new but not yet effective IFRSs and capital management disclosures.

As the Company does not meet the definition of financial institutions according to FRS 101, it has also taken advantage of the disclosure exemptions related to IFRS 7 Financial Instruments: Disclosures and IFRS 13 Fair Value Measurement.

b) Turnover

Turnover comprises income on rental receivables on operating leases and any gain or loss on the disposal of lease assets.

c) Taxation

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

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 a discounted basis. Deferred tax assets are recognised to the extent that it is probable that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

2. Turnover

	2018 £'000	2017 £'000
Secondary period lease rental income	9	18
	<hr/>	<hr/>
	9	18
	<hr/> <hr/>	<hr/> <hr/>

CITICAPITAL LEASING (MARCH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

3. Administrative expenses

Administrative expenses include:

	2018 £'000	2017 £'000
Auditor's remuneration	15	15
	<u>15</u>	<u>15</u>

4. Directors' remuneration

None of the Directors received any emoluments in respect of their services to the Company during the year (2017: £nil).

5. Tax on profit on ordinary activities

a) Analysis of tax charge for the year

	2018 £'000	2017 £'000
Current tax:		
Current year	-	-
Deferred tax:		
Origination and reversal of timing differences	7	9
Adjustment to prior year's deferred tax	-	1
Change in the tax rate	-	1
Total deferred tax (Note 8.)	<u>7</u>	<u>11</u>
Tax charge on profit	<u>7</u>	<u>11</u>

The adjustment in respect of previous years relates to a reassessment of the deferred tax asset written off in prior periods.

CITICAPITAL LEASING (MARCH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

5. Tax on profit on ordinary activities (continued)

b) Factors affecting tax charge for the year

	2018 £'000	2017 £'000
Profit before taxation	(6)	3
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2017: 20%)	(1)	1
Effects of:		
Losses surrendered for nil consideration	8	8
Adjustment to prior year's deferred tax	-	1
Difference in CT and DT rates on excess of capital allowances	-	(1)
Adjustment due to change in tax rate	-	2
Total current tax charge for the year	<u>7</u>	<u>11</u>

The main rate of corporation tax in the UK was reduced from 20% to 19% on 1 April 2017. Finance Act 2016 provides that the corporation tax rate will reduce to 17% on 1 April 2020.

6. Cash at bank and in hand

The following amounts are included within cash at bank and in hand:

	2018 £'000	2017 £'000
Cash at bank held by other group undertakings	<u>9,549</u>	<u>9,527</u>

7. Creditors: amounts falling due within one year

	2018 £'000	2017 £'000
Amounts due to group undertakings	32	17
VAT payable	4	-
Sundry creditor	9	-
	<u>45</u>	<u>17</u>

CITICAPITAL LEASING (MARCH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

8. Deferred tax

	2018 £'000	2017 £'000
The deferred tax assets are as follows:		
Accelerated tax depreciation	30	37
	<u>30</u>	<u>37</u>
At the beginning of the financial year	37	48
Adjustments in respect of previous years	-	(1)
Released during the year	(7)	(8)
Change in tax rate	-	(2)
	<u>30</u>	<u>37</u>
At 31 March	<u>30</u>	<u>37</u>

The deferred tax asset as at 31 March 2018 has been calculated based on the rate of 17% substantively enacted at the balance sheet date.

The Company has a deferred tax asset of £30 thousand (2017: £37 thousand) based on a tax rate of 17%.

9. Called up share capital

	2018 £	2017 £
Allotted, called up and fully paid:		
400 ordinary shares of 25p each	100	100
	<u>100</u>	<u>100</u>

10. Parent companies

The Company's immediate parent undertaking is Citibank Europe Plc. The audited financial statements of the parent are made available to the public annually and may be obtained from its registered office at 1 North Wall Quay, Dublin 1, Ireland.

The Company's ultimate parent undertaking is Citigroup Inc., a company registered at 1209 Orange Street, Wilmington, New Castle, DE 19810, United States of America.

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.