

BARCLAYS PRIVATE BANK

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

REGISTERED NUMBER: 1957770



BARCLAYS PRIVATE BANK

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

INDEX

Page

DIRECTORS' REPORT	1
INDEPENDENT AUDITORS' REPORT	3
INCOME STATEMENT	4
STATEMENT OF RECOGNISED INCOME AND EXPENSE	4
BALANCE SHEET	5
CASH FLOW STATEMENT	6
NOTES TO THE FINANCIAL STATEMENTS	7

BARCLAYS PRIVATE BANK

DIRECTORS' REPORT YEAR ENDED 31 DECEMBER 2008

The Directors present their report together with the audited financial statements of Barclays Private Bank (the "Company") for the year ended 31 December 2008.

Business review and principal activities

The Company has not traded in the year and has not incurred any liabilities. The Company has made neither profit nor loss, nor any other recognised gain or loss. The Company has continued to act as Trustee of a Trust.

The results of the Company show a profit before taxation of £nil (2007: £2,931,000) for the year and total recognised income of £nil (2007: £2,052,000).

Future outlook

It is anticipated that the Company will be put into Members' Voluntary Liquidation at an appropriate point in the future. It is not expected that the Company will be put into Liquidation during 2009. The Company is expected to be dormant during 2009.

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Barclays PLC group and are not managed separately. Accordingly, the principal risks and uncertainties of Barclays PLC, which include those of the Company, are discussed in the Barclays PLC annual report which does not form part of this report.

Key performance indicators

The Directors of Barclays PLC manage the group's operations on a business cluster basis. For this reason, the Company's Directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The development, performance and position of Barclays Wealth, the relevant business cluster for the Company, is discussed in the Barclays PLC annual report which does not form part of this report.

Results and Dividends

During the year the Company made a profit after taxation of £nil (2007: £2,052,000). The Directors do not recommend the payment of a final dividend (2007: £nil).

Directors

The Directors of the Company, who served during the year, together with their dates of resignation, where appropriate, are as shown below:

R Fellowes (resigned 12 February 2008)

R H Green (resigned 12 February 2008)

D F Coman (appointed 12 February 2008)

S J Weld (appointed 12 February 2008)

BARCLAYS PRIVATE BANK

DIRECTORS' REPORT YEAR ENDED 31 DECEMBER 2008

Statement of Directors' responsibilities

The following statement, which should be read in conjunction with the Independent Auditors' Report set out on page 3 is made with a view to distinguishing for shareholders the respective responsibilities of the Directors and of the Auditors in relation to the financial statements.

The Directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss for the financial year.

The Directors consider that in preparing the financial statements on pages 4 to 13:

- the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates,
- that all the accounting standards which they consider to be applicable have been followed, and
- that the financial statements have been prepared on a going concern basis.

The Directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure the financial statements comply with the Companies Act 1985.

The Directors 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.

Directors' Indemnities

Qualifying third-party indemnity provisions as defined by section 309B of the Companies Act 1985 and section 236 of the Companies Act 2006 were in force during the course of the financial year ended 31 December 2008 for the benefit of the then Directors and, at the date of this report, are in force for the benefit of the Directors in relation to certain losses and liabilities which they may incur (or have incurred) in connection with their duties/powers of office.

Financial Risk Management

The main financial risks that the Company is exposed to, its risk management policies and objectives in relation to those risks are set out in note 12 to the financial statements.

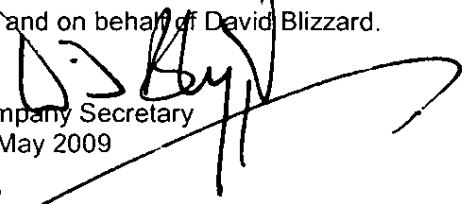
Auditors

On 13 December 1990, an Elective Resolution was passed by the shareholders of the Company pursuant to Section 386 of the Companies Act 1985 to dispense with the obligation to appoint Auditors annually. PricewaterhouseCoopers LLP have indicated their willingness to continue in office.

So far as the Directors are aware, there is no relevant audit information of which the Company's Auditors are unaware. The Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

BY ORDER OF THE BOARD

For and on behalf of David Blizzard.


Company Secretary
20 May 2009

BARCLAYS PRIVATE BANK

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BARCLAYS PRIVATE BANK YEAR ENDED 31 DECEMBER 2008

We have audited the financial statements of Barclays Private Bank for the year ended 31 December 2008 which comprise the Income Statement, the Statement of Recognised Income and Expense, the Balance Sheet, the Cash Flow Statement and the related notes on page 7 to 13. These financial statements have been prepared under the accounting policies set out on page 7 to 9.

Respective responsibilities of Directors and Auditors

The Directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements have been 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 judgments 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 IFRSs as adopted by the European Union, of the state of the Company's affairs as at 31 December 2008 and of its result and cash flows for the year 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.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

London

20 May 2009

BARCLAYS PRIVATE BANK

INCOME STATEMENT YEAR ENDED 31 DECEMBER 2008

	Note	2008 £000	2007 £000
Interest income	4	-	2,931
Net income		<u>-</u>	<u>2,931</u>
Total operating expenses	5	-	-
Profit before taxation		<u>-</u>	<u>2,931</u>
Tax	7	-	(879)
Profit after taxation		<u>-</u>	<u>2,052</u>

STATEMENT OF RECOGNISED INCOME AND EXPENSES YEAR ENDED 31 DECEMBER 2008

	2008 £000	2007 £000
Profit for the year	<u>-</u>	<u>2,052</u>
Total recognised income for the year	<u>-</u>	<u>2,052</u>

The notes on pages 7 to 13 form an integral part of these financial statements.

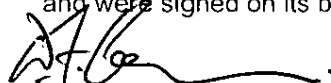
BARCLAYS PRIVATE BANK

BALANCE SHEET AT 31 DECEMBER 2008

	Note	2008 £000	2007 £000
ASSETS			
Cash and cash equivalents		2,052	2,931
Total assets		<u>2,052</u>	<u>2,931</u>
LIABILITIES			
Current tax liabilities	8	-	(879)
Total liabilities		<u>-</u>	<u>(879)</u>
Net assets		<u>2,052</u>	<u>2,052</u>
SHAREHOLDERS' EQUITY			
Called up share capital	10	-	-
Share premium account	10	-	-
Retained earnings	10	2,052	2,052
Total shareholders' equity		<u>2,052</u>	<u>2,052</u>

The notes on pages 7 to 13 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue, on 20 May 2009 and were signed on its behalf by:


D F Coman
Director

20 May 2009

BARCLAYS PRIVATE BANK

CASH FLOW STATEMENT YEAR ENDED 31 DECEMBER 2008

	2008 £000	2007 £000
	Note	
Reconciliation of operating cash flows to net cash flows from operations:		
Profit for the year before tax	-	2,931
Adjustment for finance income	-	(2,931)
Cash used in operating activities	-	-
Interest received	-	2,931
Tax paid	(879)	-
Net cash from/(used in) operating activities	(879)	2,931
Cash flows from financing activities		
Cancellation and repayment of ordinary shares	10 -	(41,400)
Net cash used in financing activities	-	(41,400)
Net decrease in cash and cash equivalents	(879)	(38,469)
Cash and cash equivalents at beginning of year	2,931	41,400
Cash and cash equivalents at end of year	2,052	2,931
Cash and cash equivalents comprise:		
Cash and balances with Barclays Bank PLC	2,052	2,931
	2,052	2,931

The notes on pages 7 to 13 form an integral part of these financial statements.

BARCLAYS PRIVATE BANK

NOTES TO THE FINANCIAL STATEMENTS (continued)

1 REPORTING ENTITY

These financial statements are prepared for Barclays Private Bank (the "Company"), which has ceased to trade. The Company's registered office is 1 Churchill Place, London E14 5HP. Its country of incorporation and domicile is Great Britain. The Company is a wholly owned subsidiary of Barclays Bank PLC which prepares consolidated financial statements. Barclays Bank PLC is incorporated in Great Britain and registered in England. Under Section 228 of the Companies Act 1985, the Company is exempt from preparing group financial statements and the financial statements presented related to the Company as an individual undertaking and not its group. The ultimate parent and controlling party is Barclays PLC, details of which are given in note 13 to the financial statements.

The reporting entity was an intermediate parent until 1 September 2006. It is also a subsidiary and is exempt from the need to prepare consolidated financial statements under IAS 27.

2 COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

The financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS'), adopted for use in the European Union, International Financial Reporting Committee ('IFRIC') interpretations and with those parts of the Companies Act 1985 applicable to companies reporting under IFRS.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

3 ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the financial statements are set out below. These accounting policies have been consistently applied.

Basis of preparation

The financial statements have been prepared under the historical cost convention modified to include the fair valuation of certain financial instruments to the extent required or permitted under IAS 39 (Financial Instruments, recognition and measurement). They are stated in thousands of pounds sterling, (£000), the currency of the country in which the Company is incorporated.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the accounting policies. The notes to the financial statements set out areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the financial statements.

a) Interest, fees and commissions

Interest income

Interest income and expense is recognised in the income statement for all interest-bearing financial instruments classified as held to maturity, available for sale or other loans and advances using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset or liability (or group of assets and liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts the expected future cash payments or receipts through the expected life of the financial instrument, or when appropriate, a shorter period, to the net carrying amount of the instrument. The application of the method has the effect of recognising income (and

BARCLAYS PRIVATE BANK

NOTES TO THE FINANCIAL STATEMENTS (continued)

3 ACCOUNTING POLICIES (continued)

expense) receivable (or payable) on the instrument evenly in proportion to the amount outstanding over the period to maturity or repayment.

In calculating the effective interest rate, the Company estimates cash flows (using projections based on its experience of customers' behaviour) considering all contractual terms of the financial instrument but excluding future credit losses. Fees, including those for early redemption are included in the calculation to the extent that they can be measured and are considered to be an integral part of the effective interest rate. Cash flows arising from the direct and incremental costs of issuing financial instruments are also taken into account in the calculation.

Where it is not possible to otherwise estimate reliably the cash flows or the expected life of a financial instrument, the Company has reference to the payments or receipts specified in the contract, and the full contractual term.

b) Current and deferred taxes

Corporation tax payable on taxable profits ('current tax') is recognised as an expense in the period in which the profits arise. Corporation tax recoverable on tax allowable losses is recognised as an asset only to the extent that it is regarded as recoverable by offset against current or future taxable profits.

Deferred tax assets, representing costs or tax allowable losses that have been incurred at the balance sheet date but not yet offset against taxable profits, are only recognised to the extent that it is probable that sufficient taxable profits will be available to relieve them against. If recognised, deferred tax assets are reviewed regularly and written down where appropriate.

Deferred and current tax assets and liabilities are only off set when they arise in the same tax reporting group and where there is both the legal right and the intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

c) Dividends

Dividends are recognised when declared by the Directors, which in the case of interim dividends, is generally the date of payment.

d) Cash and cash equivalents

For the purposes of the cash flow statement, cash comprises cash on hand, demand deposits, and cash equivalents. Cash equivalents comprise highly liquid investments that are convertible into cash with an insignificant risk of changes in value with original maturities of less than three months. Trading balances are not considered to be part of cash equivalents.

e) Trust activities

The Company acts as the Trustee of a Trust. If the fiduciary capacity resulted in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions, any assets and income arising thereon are would be excluded from these financial statements, as they are not assets of the Company.

Standards, amendments and interpretations effective after 2008

IAS 1 - Presentation of Financial Statements

This standard is applicable to annual periods beginning on 1st January 2009. The amendments affect the presentation of owner changes in equity and of comprehensive income. It does not change the recognition, measurement or disclosure of specific transactions and events required by other standards. The amendment is not expected to impact the Company's financial reporting.

BARCLAYS PRIVATE BANK

NOTES TO THE FINANCIAL STATEMENTS (continued)

Amendments to IAS 32 and IAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation

The amendments affect particular types of financial instruments which have the characteristics of equity but are at present classified as financial liabilities. The amendments classify these instruments as equity, because they represent the residual interest in the net assets of the entity. The instruments covered are financial instruments that give the holder the right to put them back to the issuer (i.e. redeem them from the issuer) for cash or another financial asset ('puttable instruments') and financial instruments with obligations for a pro rata share of the net assets of the entity on its liquidation.

The amendments are not expected to have an impact on the Company's financial reporting.

Amendment to IAS 39 –Eligible Hedged Items

The amendment was issued in July 2008 and applies from 1 July 2009. It provides additional guidance on what can be designated as a hedged item. The amendment also gives additional guidance in the designation of one sided risks in a hedged item and inflation in a financial hedged item.

The amendment stipulates that to be eligible for hedge accounting, the designated risks and portions must be separately identifiable components and changes in the cash flows and fair values of the entire financial instrument must be reliably measured

The amendment is not expected to impact the Company. The Company does not hedge inflation related risks and also does not hedge account options or use options as hedging instruments.

IFRIC 13 Customer Loyalty Programmes

Interpretation 13 (IFRIC 13) - Customer loyalty programmes is effective for the Company from 1 January 2009. This standard addresses accounting by entities that grant loyalty award credits (such as 'points' or travel miles) to customers who buy goods or services. Specifically, it explains how such entities should account for their obligations to provide free or discounted goods or services ('awards') to customers who redeem loyalty award credits for goods and services either provided by the Company or by third parties.

There are no material changes to current accounting anticipated from the adoption of IFRIC 13.

IFRIC 15 Agreement for the construction of Real Estate

IFRIC 15 was issued in July 2008 and provides guidance on the accounting for agreements for the construction of real estate. IFRIC 15 is not expected to have any impact on the Company.

IFRIC 16 Hedges of Net Investments in a Foreign Operation

IFRIC 16 was issued in July 2008 and applies prospectively to accounting periods beginning on or after 1 October 2008. The interpretation confirms that hedge accounting may be applied only to the foreign exchange differences arising between the functional currencies of the foreign operation and any parent of the entity in the group, that any entity within the group may hold the hedging instrument and that the amount reclassified to profit or loss from the foreign currency translation reserve on disposal is the amount included in the parent's foreign currency translation reserve in respect of that foreign operation. No changes to the Company's accounting policies are expected as a result of the interpretation.

BARCLAYS PRIVATE BANK**NOTES TO THE FINANCIAL STATEMENTS (continued)****4 NET INTEREST INCOME**

	2008 £000	2007 £000
Interest income		
Interest receivable from group undertakings	-	2,931
Total interest income	-	2,931
Net interest income	-	2,931

Net interest is a product of both interest rates and the amounts of borrowing and lending.

5 OPERATING EXPENSES

The audit fees incurred in connection with this Company are paid centrally through Barclays Bank PLC for the year ended 2008 and 2007 respectively. No recharge is carried out for these fees.

There were no employees employed by the Company during 2008 and 2007.

6 DIRECTORS' EMOLUMENTS

The Directors did not receive any emoluments in respect of their services to the Company during the year (2007: £ nil). The Company has made no loans, guarantees or other such dealings to its director and others during the year.

No Director exercised options under the Barclays PLC Sharesave and Long Term Incentive Schemes during 2008 (2007: one).

7 TAX

	2008 £000	2007 £000
Current tax		
United Kingdom	-	879
Overall tax charge	-	879

The charge is based upon the effective UK corporation tax rate of 28.5% (2007: 30%).

	2008 £000	2007 £000
Profit before tax	-	2,931
Tax charge at average UK corporation tax rate of 28.5% (2007: 30%)	-	879
Overall tax charge	-	879
Effective tax rate	28.50%	29.99%

The standard rate of tax changed to 28% with effect from 1 April 2008.

BARCLAYS PRIVATE BANK

NOTES TO THE FINANCIAL STATEMENTS (continued)

8 CURRENT TAX LIABILITY

The components of taxes are as follows:

	2008 £000	2007 £000
Current taxes		
United kingdom	-	(879)

9 ORDINARY SHARES

	2008 £000	2007 £000
Authorised:		
12,000,000 ordinary shares of £1 each	12,000	12,000
Allotted and fully paid:		
2 (2007: 12,000,000) ordinary shares of £1 each	-	-

On 30 November 2007 the existing issued share capital of £12,000,000 was reduced to £2 and the 11,999,998 shares held by Barclays Group Holdings Limited were cancelled and a sum of £11,999,998 was repaid to the member of the Company.

10 STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Movements in shareholders' equity are as follows:

Note	Called up share capital £000	Share Premium £000	Retained earnings £000	Total £000
At 1 January 2008	-	-	2,052	2,052
Profit after taxation	-	-	-	-
At 31 December 2008	-	-	2,052	2,052
	Called up share capital £000	Share Premium £000	Retained earnings £000	Total £000
At 1 January 2007	12,000	29,400	-	41,400
Profit after taxation	-	-	2,052	2,052
Cancellation and repayment of ordinary shares	(12,000)	(29,400)	-	(41,400)
At 31 December 2007	-	-	2,052	2,052

BARCLAYS PRIVATE BANK

NOTES TO THE FINANCIAL STATEMENTS (continued)

11 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operation decisions, or one other party controls both.

(a) Group Companies

In aggregate, amounts included in the financial statements relating to other group companies are as follows:

For the year ended 31 December 2008

	Parent company £000	Fellow subsidiaries £000
Income Statement		
Interest received	-	-
Balance Sheet		
Cash and balances with Barclays Bank PLC	2,052	-

For the year ended 31 December 2007

	Parent company £000	Fellow subsidiaries £000
Income Statement		
Interest received	2,931	-
Balance Sheet		
Cash and balances with Barclays Bank PLC	2,931	-

(b) Related Party Transactions with Directors and Key Management Personnel

The key management behind the Company are defined as the Directors.

There were no transactions with key management and persons connected to them (2007: £nil).

(c) Directors' and Officers' remuneration

The Directors received no emoluments or accrue any retirement benefits in respect of qualifying services during 2008 (2007: £nil).

Directors' and Officers' Loans

As at 31 December 2008, there were no amounts outstanding under transactions, arrangements and agreements made by the Company with parties who are, or were during the year, Directors of the Company and persons connected with them and for officers, within the meaning of the Financial Services and Markets Act 2000.

12 FINANCIAL RISK MANAGEMENT

BARCLAYS PRIVATE BANK

NOTES TO THE FINANCIAL STATEMENTS (continued)

Interest rate risk

Interest rate risk is the possibility that changes in interest rates will result in higher financing costs and / or reduced income from the Company's interest bearing financial assets and liabilities. The Company's interest rate risk arises from interest earned on cash and cash equivalents. These earn interest at floating rate.

The Directors do not believe a change in interest rates will have a material impact of the financial statements.

Liquidity Risk

The Company maintains sufficient cash and cash equivalents, which are available on demand, to meet its payment obligations as they fall due.

13 ULTIMATE HOLDING PARENT COMPANY

The parent undertaking of the smallest group that presents consolidated financial statements is Barclays Bank PLC. The ultimate holding company and the parent company of the largest group that presents group financial statements is Barclays PLC. Both companies are incorporated in Great Britain and registered in England. Barclays Bank PLC's and Barclays PLC's statutory financial statements are available from Barclays Corporate Secretariat, 1 Churchill Place London E14 5HP.