

BARCLAYS PRIVATE BANK

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

REGISTERED NUMBER: 1957770

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BARCLAYS PRIVATE BANK

Directors' Report and Financial Statements For the year ended 31 December 2009

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BARCLAYS PRIVATE BANK

Directors' Report

For the year ended 31 December 2009

The Directors present their report together with the audited financial statements of Barclays Private Bank (the "Company"), a company domiciled in the UK with Registered Number 1957770, for the year ended 31 December 2009

Review and principal activities

During the year the Company did not trade and has continued to act as Trustee of a Trust

The results of the Company show a profit before tax of £nil (2008 £nil) for the year and total comprehensive income of £5,000 (2008 nil). The Company has net debt of £nil (2008 £nil). Net cash inflow from operating activities for 2009 was £5,000 (2008 £879,000 outflow). Barclays Private Bank is an unlimited company.

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 2010, therefore the going concern basis of preparation remains appropriate.

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 £5,000 (2008 nil). No interim dividend was paid (2008 £nil). The Directors do not recommend the payment of a final dividend (2008 £nil).

Directors

The Directors of the Company, who served during the year, are as shown below:

D F Coman

S J Weld

BARCLAYS PRIVATE BANK

Directors' Report (continued)
For the year ended 31 December 2009

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 2006 and applicable regulations 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 have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as published by the International Accounting Standards Board. They are also in accordance with IFRSs as adopted by the European Union.

The Directors consider that in preparing the financial statements on pages 4 to 14

- 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 2006.

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' third party indemnity provisions

Qualifying third-party indemnity provisions were in force during the course of the financial year ended 31 December 2009 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 instruments

Barclays financial risk management objectives and policies, which are followed by the Company, and the exposure to price risk, credit risk, liquidity risk and cash flow risk are set out in the note "Financial Risks" on page 12.

Auditors and disclosure of information to auditors

Pricewaterhouse Coopers LLP will continue to hold office in accordance with section 487 of the Companies Act 2006.

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

David Blizzard


Company Secretary

19 March 2010

BARCLAYS PRIVATE BANK

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BARCLAYS PRIVATE BANK

We have audited the financial statements of Barclays Private Bank for the year ended 31 December 2009 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flow and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities 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. Our responsibility is to audit 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with chapter 3 of part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

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 December 2009 and of its profit and cash flows for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, 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



Marcus Hine (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
19 March 2010
REGISTERED NUMBER 1957770

BARCLAYS PRIVATE BANK

Statement of Comprehensive Income For the year ended 31 December 2009

	Notes	2009 £000	2008 £000
Profit and total comprehensive income before taxation	4	-	-
Taxation	6	<u>5</u>	<u>-</u>
Profit and total comprehensive income for the year		<u>5</u>	<u>-</u>

The notes on pages 8 to 14 form an integral part of these financial statements


BARCLAYS PRIVATE BANK

Statement of Financial Position As at 31 December 2009

	Note	2009 £000	2008 £000
ASSETS			
Cash and cash equivalents		<u>2,057</u>	<u>2,052</u>
Total assets		<u>2,057</u>	<u>2,052</u>
SHAREHOLDERS' EQUITY			
Called up share capital	7	-	-
Retained earnings		<u>2,057</u>	<u>2,052</u>
Total shareholders' equity		<u>2,057</u>	<u>2,052</u>

The notes on pages 8 to 14 form an integral part of these financial statements

The financial statements were approved by the board of Directors and authorised for issue on 19 March 2010 and were signed on its behalf by


Director
19 March 2010
J. F. COMAN

BARCLAYS PRIVATE BANK

Statement of Changes In Equity For the year ended 31 December 2009

	Called up share capital £000	Retained earnings £000	Total equity £000
At 1 January 2009	-	2,052	2,052
Total comprehensive income for the year	-	5	5
At 31 December 2009	-	2,057	2,057

	Called up share capital £000	Retained earnings £000	Total equity £000
At 1 January 2008	-	2 052	2,052
Total comprehensive income for the year	-	-	-
At 31 December 2008	-	2,052	2,052

The notes on pages 8 to 14 form an integral part of these financial statements

BARCLAYS PRIVATE BANK

Statement of Cash Flow For the year ended 31 December 2009

	Note	2009 £000	2008 £000
Net cash from operating activities		-	-
Tax received/(paid)		5	(879)
Net cash inflow/(outflow) from operating activities		5	(879)
Net increase/(decrease) in cash and cash equivalents		5	(879)
Cash and cash equivalents at 1 January		2,052	2,931
Cash and cash equivalents at 31 December		2,057	2,052
Cash and cash equivalents comprise			
Cash and balances with Barclays Bank PLC		2,057	2,052
		2,057	2,931

The notes on pages 8 to 14 form an integral part of these financial statements

BARCLAYS PRIVATE BANK

Notes To The Financial Statements For the year ended 31 December 2009

1 Reporting entity

These financial statements are prepared for Barclays Private Bank (the "Company"), which has ceased to trade. The financial statements are prepared for the Company only. The Company is a wholly owned subsidiary of Barclays Bank PLC and its ultimate parent company is Barclays PLC, both of which prepare consolidated financial statements in accordance with IFRS.

The Company is a private company, incorporated in Great Britain. The address of the registered office of the Company is 1 Churchill Place, London E14 5HP.

2 Compliance with International Financial Reporting Standards

The financial statements have been prepared in accordance with IFRS, adopted by the European Union, International Financial Reporting Interpretations Committee ("IFRIC") interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

New standards and amendments to published standards that have been adopted by the Company

IFRS 8 "Operating Segments"

IFRS 8 replaces IAS 14 "Segment reporting" and proposes that the 'management approach' is adopted for reporting the financial performance of operating segments. The standard has no financial impact and management has assessed that it has had no impact on the Company's disclosures.

Amendment to IAS 1 "Presentation of financial statements"

The revised standard includes an option to present one performance statement (the statement of comprehensive income) or two statements (the income statement and the statement of comprehensive income). The Company has elected to present one statement. Adoption of the revisions has not had any financial impact.

IFRS 7 "Financial instruments: Disclosures"

The amendments increase the disclosure requirements around fair value measurement, introducing a three-level hierarchy for fair value measurement disclosure and require some specific quantitative disclosures for financial instruments in the lowest level in the hierarchy. In addition, the amendments clarify and enhance existing requirements for the disclosure of liquidity risk. Adoption has resulted in no significant change to the financial statements and has had no impact on the reported results of the Company.

In addition to the amendments above, the Company has adopted the following from 1 January 2009. In each case there has been no impact on the reported results of the Company.

Amendment to IAS 23 "Borrowing costs"

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are required to be capitalised as part of the cost of that asset. The option of immediately expensing those borrowing costs has been removed.

Amendment to IFRS 2 "Share Based Payments"

The amendment addresses vesting conditions and cancellations, clarifying that vesting conditions are service conditions and performance conditions only and that other features of a share based payment are not vesting conditions.

BARCLAYS PRIVATE BANK

Notes To The Financial Statements (continued) For the year ended 31 December 2009

2 Compliance with International Financial Reporting Standards (continued)

IFRIC 16 "Hedges of a net investment in a foreign operation"

The interpretation clarifies, in respect of net investment hedging that net investment hedging relates to differences in functional currency, that hedging instruments may be held anywhere in the group and that the requirements of IAS 21 "The effects of changes in foreign exchange rates" do apply to the hedged item

Amendment to IFRS 1 "First time adoption of International Financial Reporting Standards" and IAS 27 "Consolidated and Separate Financial Statements"

The amendments allows first-time adopters, in their separate financial statements, to use a deemed cost option for determining the cost of an investment in a subsidiary, jointly controlled entity or associate. The amendments to IAS 27 remove the definition of the 'cost method' from paragraph 4 of that standard

New standards, interpretations and amendments to published standards that are not yet effective and have not been early adopted by the Company

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Company's accounting periods beginning on or after 1 January 2010 or later periods. The Company has not early adopted the standards, amendments and interpretations described below

IFRS 9 Financial instruments on classification and measurement (effective from annual periods beginning on or after 1 January 2013)

IFRS 3 (Revised) "Business combinations" (applicable to business combinations occurring in accounting periods beginning on or after 1 July 2009)

IAS27 (Revised) "Consolidated and separate financial statements" (effective for periods beginning on or after 1 July 2009)

Amendment to IAS 39, "Financial Instruments: Recognition and Measurement on eligible hedged items" (effective from accounting periods beginning on or after 1 July 2009 – retrospective application)

Amendment to IFRS 2 "Share based payments group cash-settled transactions" (effective for accounting periods beginning on or after 1 January 2010)

"Improvements to IFRSs" (effective from 1 January 2010)

Amendment to IAS 32 "Financial Instruments: Presentation" (effective for accounting periods beginning on or after 1 February 2010)

Amendment to IAS 24 "Related party disclosures" (effective for accounting periods beginning on or after 1 January 2011)

IFRIC 17 "Distributions of non-cash assets to owners" (effective from accounting periods beginning on or after 1 July 2009)

IFRIC 19 "Extinguishing financial liabilities with equity instruments" (effective from the beginning of the earliest comparative period presented, for accounting periods beginning on or after 1 July 2010)

Interpretations to existing standards that are not yet effective and are not deemed relevant for the Company's operations

IFRIC 18 "Transfer of assets from customers" (effective for transfers of assets from customers received on or after 1 July 2009, although some limited retrospective application is permitted)

Amendment to IFRIC 14 "Prepayment of a minimum funding requirement" (effective for annual periods beginning on or after 1 January 2011)

BARCLAYS PRIVATE BANK

Notes To The Financial Statements (continued) For the year ended 31 December 2009

3 Summary of significant 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, as set out in the relevant accounting policies. 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 those areas involving a higher degree of judgement or complexity where relevant, or areas where assumptions are significant to the financial statements.

a) Interest

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

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

b) Current tax

Income tax payable on taxable profits ('current tax') is recognised as an expense in the period in which the profits arise. Income 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.

Current tax assets and liabilities are only offset 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) 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 3 months. Trading balances are not considered to be part of cash equivalents.

d) Trust activities

The Company acts as a 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 would be excluded from these financial statements, as they are not assets of the Company.

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Notes To The Financial Statements (continued) For the year ended 31 December 2009

4 Profit before taxation

There were no employees employed by the Company during 2009 and 2008

The audit fees incurred in connection with this Company are paid centrally through Barclays Bank PLC for the years ended 31 December 2009 and 2008 respectively. These fees are not recharged to the Company

5 Employees and key management, including directors

The Directors did not receive any emoluments in respect of their services to the Company during the year (2008: £nil). The Company has made no loans, guarantees or other such dealings to its director and others during the year (2008: £nil). The Directors are considered to be key management personnel.

No Directors exercised options under the Barclays PLC Sharesave Scheme and Long Term Incentive Schemes during 2009 (2008: nil).

6 Taxation

The analysis of the credit for the year is as follows

	2009 £000	2008 £000
Current tax		
United Kingdom corporation tax	(5)	-

A numerical reconciliation of the applicable tax rate and the effective tax rate is as follows

	2009 £000	2008 £000
Profit before taxation	-	-
Tax charge at average UK corporation tax rate of 28% (2008: 28.5%)	-	-
Prior year adjustments	(5)	-
Overall tax charge	(5)	-
Effective tax rate %	-	0%

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Notes To The Financial Statements (continued) For the year ended 31 December 2009

7 Share capital

Particulars of the Company's share capital are as follows

	2009 £000	2008 £000
Authorised		
12,000,000 ordinary shares of £1 each	12,000	12,000
Allotted and fully paid		
2 (2008 2) ordinary shares of £1 each	-	-

The shares have attached to them full voting, dividend and capital distribution (including on winding up) rights, they do not confer any rights of redemption

8 Financial risks

The Company's activities expose it to a variety of financial risks. These are credit risk, liquidity risk, market risk, foreign currency risk, interest rate risk and price risk.

The Board of Directors has ultimate responsibility for ensuring effective risk management and control (including mandatory adherence to the Barclays PLC Group risk management policies). In exercising this responsibility on a day to day basis, it relies on the independent oversight provided by the Barclays Wealth risk function.

(a) Credit risk

Credit risk is the risk of suffering financial loss, should any of the Company's counterparties fail to fulfil their contractual obligations to the Company.

The Company assesses all counterparties, for credit risk before contracting with them and there were no significant concentration of credit risk at either year end.

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Notes To The Financial Statements (continued) For the year ended 31 December 2009

Maximum exposure to credit risk

The following table shows the Company's assessment of its maximum exposure to credit risk at 31 December 2009 and 2008

	2009 £000	2008 £000
Cash and cash equivalents	<u>2,057</u>	<u>2,052</u>
	<u>2,057</u>	<u>2,052</u>

Cash and cash equivalents

The Company's cash and cash equivalents are held with its parent Company, Barclays Bank PLC, and are, therefore, considered low risk

(b) Liquidity risk

Liquidity risk is the risk that the Company's cash and committed facilities may be insufficient to meet its payment obligations as they fall due. The Company maintains committed facilities, including financial support from the parent company, Barclays Bank PLC, to ensure that the Company has sufficient available funds

All of the Company's financial assets and liabilities at 31 December 2009 and 2008 were effectively due on demand

Market risk

Market risk is the risk that the Company's earnings or capital, or its ability to meet business objectives will be adversely affected by changes in the level or volatility of market rates or prices such as interest rates, equity prices and foreign exchange rates

The Company has no significant exposure to market risk as it has ceased trading and has minimal or no exposure to interest rate risk, foreign currency risk or price risk

BARCLAYS PRIVATE BANK

Notes To The Financial Statements (continued) For the year ended 31 December 2009

9 Related party transactions

The definition of related parties includes parent company, ultimate parent company, subsidiary, associated and joint venture companies, as well as the Company's key management which includes its Directors

Particulars of transactions with group companies, and the balances outstanding at the year end, are disclosed in the tables below

For the year ended 31 December 2009	Parent company £000
Cash and cash equivalents	<u>2.057</u>
For the year ended 31 December 2008	Parent company £000
Cash and cash equivalents	<u>2.052</u>

There were no transactions with key management personnel (2008 £nil)

10 Ultimate holding 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.