

# **ELECTRIC INVESTMENTS LIMITED**

**Report and Financial Statements**  
**For the period from 1 January 2007 to 13 September 2007**

**REGISTERED NUMBER IN ENGLAND AND WALES: 1996064**

**SATURDAY**



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**COMPANIES HOUSE**

# **ELECTRIC INVESTMENTS LIMITED**

## **DIRECTORS' REPORT**

**For the period from 1 January 2007 to 13 September 2007**

The directors present their report together with the audited financial statements for the period 1 January 2007 to 13 September 2007

### **Review of business and future outlook**

The principal activity of the Company is to act as an investment company

The directors have reviewed the Company's business and performance and consider it to be satisfactory for the period. The directors consider that the Company's position at the end of the period is consistent with the size and complexity of the business.

Given the nature of the business, the Company's directors are of the opinion that analysis using Key Performance Indicator's (KPI's) is not necessary for an understanding of the development, performance or position of the business.

As a result of the disposal of the interest in the Modena Trust, the directors expect that interest receivable will be reduced in future periods.

### **Results and Dividends**

During the period the Company made a profit after tax of £82,351,880 (2006 £104,953,539). The directors declared interim dividends on ordinary shares for the period of £3,408,515 (2006 £8,780,000). The directors paid interim dividends on redeemable preference shares for the period of £144,962,149 (2006 £80,220,000). The directors do not recommend the payment of a final dividend. The directors consider that the performance of the Company has been satisfactory during the year.

### **Post balance sheet events**

Subsequent to the period end, the directors declared and paid an interim dividend of £12,887,921 in relation to redeemable preference shares and £303,035.49 in relation to ordinary shares. These dividends have not been accrued for in these financial statements.

Subsequent to the period end, the company also repurchased 1,001,401,176 of its redeemable preference shares of £1 each and 41,000,002 ordinary shares in the capital of the company at a price of £1 per share.

### **Derivatives and financial instruments**

The Company's directors are required to follow the requirements of the Barclays Group risk management policies, which include specific guidelines on the management of foreign exchange, credit and interest rate risks and advise on the use of financial instruments to manage them. Barclays Group risk management policies can be found in the financial statements of Barclays Bank PLC (see note 15).

## **ELECTRIC INVESTMENTS LIMITED**

### **DIRECTORS' REPORT (continued)**

**For the period ended 13 September 2007**

#### **Directors**

The directors of the Company, who served during the period, together with their dates of appointment and resignation, where appropriate, are as shown below

NR Brand (appointed 16/08/2007)

GMF Brawn

P Emney (resigned 14/08/2007)

Al Moses (resigned 16/08/2007)

Since the period end CS Levy was appointed as a director on 24 September 2007 and RJ Craine and M Ralph were appointed as directors on 14 November 2007

#### **Directors' Indemnities**

Qualifying third-party indemnity provisions (as defined by section 309B of the Companies Act 1985) were in force during the course of the financial period ended 13 September 2007 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

#### **Change of Accounting Reference Date**

The Company changed its accounting reference date from 31 December 2007 to 13 September 2007

#### **Statement of Directors' Responsibilities**

The following statement, which should be read in conjunction with the Auditors' Report, 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 accounts

- the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates, and
- 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

## **ELECTRIC INVESTMENTS LIMITED**

### **DIRECTORS' REPORT (continued)**

**For the year period ended 13 September 2007**

#### **Statement of Directors' Responsibilities (continued)**

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

Each of the directors in office as at the date of this report confirms that

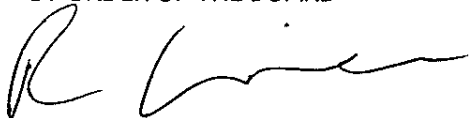
- there is no relevant audit information of which the company's auditors are unaware, and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

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

#### **Auditors**

On 3 September 1991 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

BY ORDER OF THE BOARD



R Craine  
Director

For and on behalf of  
Electric Investments Limited  
1 Churchill Place  
London E14 5HP

12 May 2008

## **ELECTRIC INVESTMENTS LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ELECTRIC INVESTMENTS LIMITED**

We have audited the financial statements of Electric Investments Limited for the period 1 January 2007 to 13 September 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

#### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 are 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.

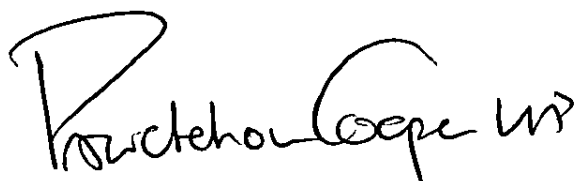
## ELECTRIC INVESTMENTS LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ELECTRIC INVESTMENTS LIMITED (continued)

#### Opinion

##### In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 13 September 2007 and of its profit for the period 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

A handwritten signature in black ink, appearing to read 'PricewaterhouseCoopers LLP', with a stylized flourish at the end.

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

London, United Kingdom

Date 13 May 2008

# **ELECTRIC INVESTMENTS LIMITED**

## **PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 13 SEPTEMBER 2007**

	Notes	Period from 1 January 2007 to 13 September 2007 £	2006 £
Administrative expenses		(147)	105
Operating (loss)/profit		(147)	105
Interest receivable and similar income	4	46,451,182	67,090,565
Interest receivable from group undertakings	5	74,512,450	87,635,069
Profit on ordinary activities before taxation	6	120,963,485	154,725,739
Tax on profit on ordinary activities	7	(38,611,605)	(49,772,200)
Profit on ordinary activities after taxation		82,351,880	104,953,539
Dividends paid on shares	8	(148,370,664)	(89,000,000)
Retained (loss)/profit		(66,018,784)	15,953,539
Retained profit brought forward		75,304,719	59,351,180
Retained profit carried forward		9,285,935	75,304,719

All recognised gains and losses are included in the profit and loss account. Operating profit is derived from continuing activities. There is no difference between the results disclosed in the profit and loss account and the results on an unmodified historical cost basis. The notes 1 to 16 form an integral part of these financial statements.

# ELECTRIC INVESTMENTS LIMITED

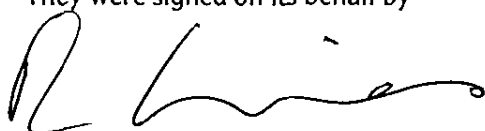
## BALANCE SHEET AS AT 13 SEPTEMBER 2007

	Notes	As at 13 September 2007 £	As at 31 December 2006 £
FIXED ASSETS	9	-	1,050,000,000
CURRENT ASSETS			
DEBTORS Amounts falling due within one year	10	2,863,675,784	1,905,520,306
CREDITORS Amounts falling due within one year	11	(2,808,389,847)	(2,834,215,585)
NET CURRENT ASSETS		<u>55,285,937</u>	<u>(928,695,279)</u>
NET ASSETS		<u>55,285,937</u>	<u>121,304,721</u>
CAPITAL AND RESERVES			
Called up share capital	12	46,000,002	46,000,002
Profit and loss account		9,285,935	75,304,719
TOTAL EQUITY SHAREHOLDERS' FUNDS	13	<u>55,285,937</u>	<u>121,304,721</u>

A reconciliation of movement in shareholders' funds is given in note 13

The notes 1 to 16 form an integral part of these financial statements

The financial statements and notes 1 to 16 were approved by the Board of Directors on 3 April 2008  
They were signed on its behalf by



R Crane  
Director

12 May 2008



# **ELECTRIC INVESTMENTS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **1 ACCOUNTING POLICIES**

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, the accounting policies set out below and in accordance with applicable accounting standards of the Accounting Standards Board and pronouncements of the Urgent Issues Task Force

#### **Revenue Recognition**

Interest income is recognised on an accruals basis

#### **Taxation**

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

#### **Investments**

Investment debt securities are stated at cost less any provision for impairment. Investment securities are intended for use on a continuing basis by the Group and have been identified as such. Any discount or premium on acquisition is amortised on an effective yield basis through the profit and loss statement over the period that the security is held by the Company.

#### **Dividends on shares**

Dividends are recognised in the profit and loss account on the date the Company becomes required to pay a dividend under a contractual agreement.

# **ELECTRIC INVESTMENTS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **2. CASH FLOW STATEMENT**

The Company's ultimate holding company has adopted the provisions of Financial Reporting Standard 1 ("FRS 1") revised 1996, Cash Flow Statements. Accordingly the Company, which is a wholly owned subsidiary of Barclays Bank PLC, has elected to utilise the exemption provided in FRS 1 not to produce a cash flow statement

### **3. DIRECTORS' EMOLUMENTS**

The directors did not receive any emoluments in respect of their services to the Company during the period ended 13 September 2007 or during 2006

### **4. INTEREST RECEIVABLE AND SIMILAR INCOME**

	Period 1 January to 13 September 2007	Year ended 31 December 2006
	£	£
Interest receivable from loans and similar investments	46,451,182	67,089,580
Bank interest receivable	0	985
	<hr/> 46,451,182	<hr/> 67,090,565

### **5. INCOME RECEIVABLE FROM GROUP UNDERTAKINGS**

	Period 1 January to 13 September 2007	Year ended 31 December 2006
	£	£
Interest received from loans to group undertakings	72,068,665	85,672,241
Interest received on deposits with group undertakings	2,443,785	1,962,828
	<hr/> 74,512,450	<hr/> 87,635,069

# ELECTRIC INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 6. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	Period 1 January to 13 September 2007	Year ended 31 December 2006
	£	£
Profit on ordinary activities before taxation is stated after charging Auditors' remuneration	-	-

There were no employees employed by the Company during the period 1 January to 13 September 2007 and year ended 31 December 2006. The audit fee is borne by another group company, Barclays Bank PLC. Although the audit fee is borne by another group company, the fee that would have been charged to the company amounts to £3,245 for the period. This fee is not recognised as an expense in the financial statements.

### 7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	Period 1 January to 13 September 2007	Year ended 31 December 2006
	£	£
UK corporation tax	36,289,045	46,417,722
	<u>36,289,045</u>	<u>46,417,722</u>
Foreign tax		
US federal income tax	16,257,914	23,481,352
Double taxation relief	(13,935,355)	(20,126,874)
	<u>2,322,559</u>	<u>3,354,478</u>
Tax on profit on ordinary activities	<u>38,611,605</u>	<u>49,772,200</u>

The UK corporation tax charge is based on an effective UK corporation tax rate of 30% (2006 30%). The effective tax rate is different from the standard tax rate as a result of US federal income tax suffered detailed below.

	Period 1 January to 13 September 2007	Year ended 31 December 2006
	£	£
Profit on ordinary activities before taxation	120,963,485	154,725,739
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2006 30%)	36,289,046	46,417,722
Effects of US federal income tax suffered in excess of 30%	2,322,559	3,354,478
Current tax charge	<u>38,611,605</u>	<u>49,772,200</u>

# ELECTRIC INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 8. DIVIDENDS PAID ON ORDINARY SHARES

	Period 1 January to 13 September 2007 £	Year ended 31 December 2006 £
Dividends paid on Ordinary shares	3,408,515	8,780,000
Dividend paid on Redeemable Preference shares	144,962,149	80,220,000
	<u>148,370,664</u>	<u>89,000,000</u>

### 9 FIXED ASSETS

	Loans and similar investments £	Total £
At 1 January 2007	1,050,000,000	1,050,000,000
Disposal	(1,050,000,000)	-
At 13 September 2007	<u>-</u>	<u>1,050,000,000</u>

On 26 August 2005 the Company purchased 1,050 Class B Units in the Modena 2004 Business Trust, from a fellow group undertaking, for consideration of £1,050,000,000. The Company has forward sold its interest in the Modena 2004 Business Trust. Payment and delivery took place on 13 September 2007 under the forward sale agreement.

### 10. DEBTORS

Amounts falling due within one year	As at 13 September 2007 £	As at 31 December 2006 £
Amounts owed by group undertakings	2,849,839,889	1,903,257,826
Accrued interest on amounts owed by group undertakings	13,835,895	2,367
Accrued distributions on loans and similar investments	-	2,260,113
	<u>2,863,675,784</u>	<u>1,905,520,306</u>

Amounts owed by group undertakings include a loan to Westferry Investments Limited of £1,175,701,936 which was settled by Westferry on 21 September 2007.

# ELECTRIC INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 11. CREDITORS. Amounts falling due within one year

	As at 13 September 2007 £	As at 31 December 2006 £
Corporation tax	6,988,671	32,814,409
Amounts owed to group undertakings	-	-
Redeemable Preference Shares	2,801,401,176	2,801,401,176
	<u>2,808,389,847</u>	<u>2,834,215,585</u>

### Preference share capital consists of:

	As at 13 September 2007 £	As at 31 December 2006 £
Authorised 2,900,000,000 redeemable preference shares of £1 each	2,900,000,000	2,900,000,000
Allotted and fully paid 2,801,401,176 redeemable preference shares of £1 each	<u>2,801,401,176</u>	<u>2,801,401,176</u>

The holders of the redeemable preference shares (the 'preference shares') are entitled to dividends at the sole discretion of the directors of the Company. On a distribution of the assets of the Company on a winding up or other return of capital, the holders of the preference shares are entitled, in priority to the holders of any other class of share in the Company's share capital, to receive an amount equal to the nominal amount of each preference share that is held.

Subject to the provisions of the Company's Articles of Association and the Companies Act 1985 (as amended), the preference shares may be redeemed in whole or in part by the Company or by the holders at any time after 28 February 2002 by giving notice in writing. The amount payable on redemption is equal to the nominal amount of the preference shares.

Preference shares do not carry the right to vote unless the matter under consideration is the winding up of the Company or involves varying any of the special rights attached to the Company or involves varying any of the special rights attached to the preference shares.

The preference shares were redeemed subsequent to the period end (see note 16).

# ELECTRIC INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 12. CALLED UP SHARE CAPITAL

	As at 13 September 2007 £	As at 31 December 2006 £
Authorised 56,000,000 Ordinary shares of £1 each	56,000,000	56,000,000
Allotted and fully paid 46,000,002 Ordinary shares of £1 each	46,000,002	46,000,002

Subsequent to the period end, 41,000,002 of the ordinary shares were redeemed (see note 16)

### 13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	As at 13 September 2007 £	As at 31 December 2006 £
Profit for the period	82,351,880	104,953,539
Dividends paid	(148,370,664)	(89,000,000)
(Decrease) / Increase in shareholders' funds	(66,018,784)	15,953,539
Opening shareholders' funds	121,304,721	105,351,182
Closing shareholders' funds	55,285,937	121,304,721

### 14. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption under the provisions of Financial Reporting Standard 8 ("FRS 8"), Related Party Disclosures not to disclose transactions with other group companies since the Company is a wholly owned subsidiary of Barclays Bank PLC, the consolidated financial statements of which are publicly available. There have been no transactions with related parties requiring disclosure in either 2007 or 2006.

### 15. PARENT UNDERTAKING AND ULTIMATE HOLDING COMPANY

The parent undertaking of the smallest group that presents group accounts is Barclays Bank PLC. The ultimate parent company and controlling party is Barclays PLC, which is the parent company of the largest group that presents group accounts. Barclays Bank PLC's and Barclays PLC's statutory accounts are available from Barclays Corporate Secretariat, 1 Churchill Place, London E14 5HP.

### 16. SUBSEQUENT EVENTS

Subsequent to the period end, the directors declared and paid an interim dividend of £12,887,921 in relation to the redeemable preference shares and £303,035.49 in relation to the ordinary shares in respect of the period ended 13 September 2007. These dividends have not been accrued for in these financial statements.

Subsequent to period end, the company also repurchased 1,001,401,176 of its redeemable preference shares of £1 each and 41,000,002 ordinary shares in the capital of the company at a price of £1 per share.