BARCLAYS UNQUOTED INVESTMENTS LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

REGISTERED NUMBER: 2156066

Barclays Unquoted Investments Limited
Year ended 31 December 2006

INDEX

DIRECTORS' REPORT

The Directors present their report together with the audited financial statements for the year ended 31 December 2006

Principal activity and business review

The principal activity of the Company is to provide equity finance to support the development of established businesses requiring funding for their next phase of growth/ownership

With effect from 1 January 2004, transfer pricing was implemented between Barclays Unquoted Investments Limited and its parent. The transfer of costs, arrangement fees and monitoring fees is reflected in these accounts together with a handling fee of 2%

Future outlook

Whilst there may be some slowing in the UK economy, the Company believes there will continue to be good businesses seeking transitional funding for the next stage of growth and/or ownership Competition for these opportunities will remain relatively strong amongst private equity market participants, but the Company considers that it will retain its competitive position through its existing regional network, relationships with corporate finance houses and the Barclays banking network Active Investment management will continue to be key to the long term performance of the Company

Business prices will continue to fluctuate with market conditions, but are not expected to show dramatic change in the next 12 months

Principal risks and uncertainties

The Directors of the company have established processes and controls to identify and manage the principal risks and uncertainties These are primarily around effective investment selection, documenting of investor protection rights and ongoing tracking of business performance within the investment portfolio

Key performance indicators

The Key performance indicators for the business are primarily around levels of new investment made, the value of existing investments and returns realised from investment disposal

Results and dividends

During the year the Company made a profit after taxation of £17,836,575 (2005 £10,748,022) The Directors do not recommend the payment of a final dividend (2005 £nil)

Directors

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

R M Goldsack (resigned 10 September 2006)
K L Kapur
S G Rose
S Y Sutton

Since the year-end, S G Rose resigned as a Director on 31 January 2007 and S Y Sutton resigned as a Director on 11 April 2007 J T Anderson was appointed as a Director on 11 April 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 year ended 31 December 2006 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

Statement of Directors' responsibilities

The following statement, which should be read in conjunction with the 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 22

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

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

Auditors

On 30 January 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

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

K L Kapur
Director
18 October 2007

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BARCLAYS UNQUOTED INVESTMENTS LIMITED

We have audited the financial statements of Barclays Unquoted Investments Limited for the year ended 31 December 2006 which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement, the Statement of Changes in Equity and the related notes on pages 4 to 22 These financial statements have been prepared under the accounting policies set out on pages 7 to 9

Respective responsibilities of directors and auditors

The Directors' responsibilities for preparing 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 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 2006 and of its profit 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
19 October 2007

Barclays Unquoted Investments Limited
Year ended 31 December 2006
Income Statement & Statement of Changes in Equity

INCOME STATEMENT

	Notes	2006 £	2005 £
Income from financial assets	4	18,961,921	13,088,960
Administrative expenses		(2,363,497)	(2,077,268)
Operating profit	5	**16,598,424**	**11,011,692**
Finance income – Net	7	357,093	301,501
Profit before taxation		**16,955,517**	**11,313,193**
Taxation Credit/(Charge)	8	881,058	(565,171)
Profit after taxation		**17,836,575**	**10,748,022**
Retained profit/(loss) brought forward		10,028,036	(719,986)
Retained profit carried forward		**27,864,611**	**10,028,036**

STATEMENT OF CHANGES IN EQUITY

	Share Capital £	Retained Earnings £	Available for Sale 'AFS' revaluation reserve £	Total £
At 1 January 2005	60,000,000	(719,986)	551,953	59,831,967
Issue of share capital in 12 months to 31/12/05	4,000,000	-	-	4,000,000
Fair value gain on disposal transfer to income statement	-	-	(406,303)	(406,303)
Fair Value Movements	-	-	230,983	230,983
Profit for 12 months to 31/12/06	-	10,748,022	-	10,748,022
As at 31 December 2005	**64,000,000**	**10,028,036**	**376,633**	**74,404,669**
At 1 January 2006	64,000,000	10,028,036	376,633	74,404,669
Issue of share capital in 12 months to 31/12/06	10,665,000	-	-	10,665,000
Fair Value Movements			271,871	271,871
Profit for 12 months to 31/12/06	-	17,836,575	-	17,836,575
As at 31 December 2006	**74,665,000**	**27,864,611**	**648,504**	**103,178,115**

The accompanying notes form an integral part of the financial statements

Barclays Unquoted Investments Limited
Year ended 31 December 2006
Balance Sheet

BALANCE SHEET

	Notes	2006	2005
		£	£
NON CURRENT ASSETS			
Available for sale financial assets	9	885,871	1,376,828
Investments in financial assets designated as fair value	10	11,081,740	17,754,765
Loans and receivables	11	77,560,912	55,961,433
Investments in subsidiaries	12	-	-
Total non-current assets		**89,528,523**	**75,093,026**
Current assets			
Other receivables and accrued income	13	3,152,454	830,293
Cash at bank and Treasury Deposit		10,625,590	3,776,167
Current tax asset		153,336	-
Total current assets		13,931,380	4,606,460
Total assets		**103,459,903**	**79,699,486**
LIABILITIES			
Current liabilities			
Accrued expenses and other payables	14	(281,788)	(4,690,580)
Current tax liabilities		-	(604,237)
Total current liabilities		(281,788)	(5,294,817)
Net current liabilities		13,649,592	(688,357)
Net assets		**103,178,115**	**74,404,669**
SHAREHOLDERS' EQUITY			
Called up share capital	16	74,665,000	64,000,000
Available for sale reserve	20	648,504	376,633
Retained earnings	20	27,864,611	10,028,036
Total shareholders' equity		**103,178,115**	**74,404,669**

The accompanying notes form an integral part of the financial statements

The financial statements were approved by the Board of Directors and authorised for issue on 18 October 2007 They were signed on its behalf by

K L Kapur
Director
18 October 2007

CASHFLOW STATEMENT

	Notes	2006	2005
		£	£
Inflow from operating activities	18	22,690,164	20,676,531
Interest received		357,828	303,000
Interest paid		(735)	(1,499)
Tax received		123,485	216,962
Net cash from operating activities		**23,170,742**	**21,194,994**
Cash flows from investing activities			
Investment in financial assets and loans		(47,380,019)	(39,473,550)
Disposal/redemption of financial assets and loans		20,393,700	14,678,733
Net cash (used in) investing activities		**(26,986,319)**	**(24,794,817)**
Cash flows from financing activities			
Cash received from Barclays Bank PLC re issue of ordinary shares	16	10,665,000	4,000,000
Net cash from financing activities		**10,665,000**	**4,000,000**
Net increase in cash at bank		6,849,423	400,177
Cash at bank at beginning of year		3,776,167	3,375,990
Cash at bank at end of year		**10,625,590**	**3,776,167**

The accompanying notes form an integral part of the financial statements

NOTES TO THE FINANCIAL STATEMENTS

1. Reporting entity

These financial statements are prepared for Barclays Unquoted Investments Limited ('the Company'), the principal activity of which is to hold private equity investments in unquoted UK companies 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, and accordingly consolidated financial statements have not been prepared

The Company is a private limited company, incorporated in the United Kingdom The registered office is 1 Churchill Place, London E14 5HP

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 and with all those parts of the Companies Act 1985 applicable to companies reporting under IFRS In all respects, this is also in accordance with IFRS, including the interpretations issued by the International Financial Reporting Interpretations Committee

3. Accounting policies

The principal accounting policies applied in the preparation of the financial statements are set out below These 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 pounds sterling, 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 judgment in the process of applying the accounting policies The notes to the financial statements set out areas involving a higher degree of judgment or complexity, or areas where assumptions are significant to the consolidated and individual financial statements

(a) Investment Income

Dividend income on preference and ordinary shares is recognised when the right to receive payment is established

(b) Income taxes, including deferred income taxes

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

Deferred income tax is provided in full, using the liability method, on temporary timing differences arising from the differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements Deferred income tax is determined using tax rates and legislation enacted or substantially enacted by the balance sheet date and expected to apply when the deferred tax asset is realised or the deferred tax liability is settled

Deferred and current tax assets and liabilities are only offset 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) Financial assets and liabilities

The Company recognises financial instruments from the contract date, and continues to recognise them until, in the case of assets, the rights to receive cash flows have expired or the Company has transferred substantially all the risks and rewards of ownership, or in the case of liabilities, until the liability has been settled, extinguished or has expired

Financial assets are initially recognised at fair value and then classified in the following categories and dealt with in the financial statements as follows

Financial instruments -

(i) At fair value through profit or loss

Financial instruments are classified in this category if they are held for trading or if they are designated by the management under the fair value option

The Company does not have any financial instruments held for trading

The fair value option is used for investments where the Company has the ability to exercise significant influence over the operation and financial management policy decisions are designated at fair value in accordance with the para 1 of IAS 28 Investment in Associates.

Once designated, such investments are measured at fair value in accordance with IAS 39, with changes in fair value recognised in profit or loss in the period of the change

(ii) Available for sale

This approach is applied to all financial assets where the Company's investment therein is less than 20% of the voting equity, or where controls are equivalent to those of less than 20% of the voting equity

These assets are initially recognised at fair value including direct and incremental transaction costs They are subsequently held at fair value, and gains and losses arising from changes in fair value are included as a separate component of equity until sale when the cumulative gain or loss is transferred to the income statement

Where any impairment is considered to be a permanent negative movement against cost, the impairment is shown as a cost in the profit & loss account in the period in which the impairment is identified to have occurred

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and which are not classified as available for sale Loans and Receivables are initially recognised at fair value including direct and incremental transaction cost. They are subsequently valued in line with Valuations Committee according to amount of loan, including any capitalisation of interest/costs, less any amortisation This is deemed not to be materially different to the effective interest method Any impairment is shown through the profit and loss account, based on the Valuations Committee view as to whether any impairment applies

If in a subsequent period the amount of the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment or recognised amount the previously recognised impairment loss will reverse by adjusting the impairment account The amount of reversal is recognised in the income statement.

Determining fair value

Where the classification of a financial instrument requires it to be stated at fair value, the fair values are determined by using valuation techniques The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date Quoted market prices are used for quoted securities Other techniques, such as Earnings Multiple method , are used to determine fair value for the remaining financial instruments which is in line with the International Private

Equity and Venture Capital Valuation Guidelines developed by the British Venture Capital Association BVCA and European Private Equity and Venture Capital Association EVCA

Impairment of financial assets

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a portfolio of financial assets, including loans and receivables, is impaired The factors that the Company takes into account include significant financial difficulties of the debtor or the issuer, a breach of contract or default in payments, the granting by the Company of a concession to the debtor because of a deterioration in its financial condition, the probability that the debtor will enter into bankruptcy or other financial reorganisation, or, in the disappearance of an active market for a security because of the issuer's financial difficulties

The Company also considers any change in valuation and, where such is considered to be a permanent negative movement against cost, including in the case of available for sale assets the impairment is shown as a cost in the profit & loss account in the period in which the impairment is identified to have occurred

Impairment allowances are calculated, based on the difference between the carrying amount of the asset and its estimated recoverable amount, calculated by reference to the valuation of the asset, in line with the methodologies and views confirmed via the Valuations Committee

Netting

Financial assets and liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise an asset and settle the liability simultaneously

(d) Provisions

Provisions are recognised for present obligations arising as consequences of past events where it is more likely than not that a transfer of economic benefits will be necessary to settle the obligation, and these can be reliably estimated

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is uncertain or cannot be reliably measured Contingent liabilities are not recognised but are disclosed unless they are remote

(e) Cash and cash equivalent

For the purposes of the cash flow statement, cash comprises cash on hand, demand deposits, and cash at bank

4. Income from financial assets

	2006 £	2005 £
Realised capital gains	21,159,295	13,459,494
Impairment and write offs	(18,936,753)	(9,296,019)
Unrealised fair value gains (net)	6,114,059	3,548,000
Other income from financial assets	3,443,712	1,886,817
Interest on Subordinated loan note	7,181,608	3,490,668
Total income from financial assets	**18,961,921**	**13,088,960**

5 Operating Profit

The following items have been charged in arriving at operating profit

	2006 £	2005 £
Staff costs (note 6)	1,585,802	1,220,537
Auditor's Remuneration		
- Audit services	30,000	40,000

Auditor's remuneration for the supply of other services is not disclosed because the financial statements of the Company's parent Barclays Bank PLC are required to disclose such fees in the consolidated financial statements

6 Employees and Key Management, including Directors

Staff costs comprise the following

	2006 £	2005 £
Wages and salaries	1,425,337	1,101,270
Social security costs	160,465	119,267
	1,585,802	**1,220,537**

The average number of persons employed during the year, excluding agency staff, was

	Number	Number
Sales	13	14
Administration	8	5
Average number of employees	**21**	**19**

The aggregate emoluments of the Directors of the Company disclosed in accordance with Schedule 6 of the Companies Act 1985 were as follows These are included within the internal recharge of staff expenses detailed above

Directors' emoluments in respect of their services to the Company

	2006 £	2005 £
Aggregate emoluments	308,337	371,308
	308,337	**371,308**

Two Directors are accruing retirement benefits under a defined benefit scheme (2005 two) and one Director is accruing benefits under a defined contribution scheme (2005 one) These are Group Schemes which form part of he recharge to the Company

The aggregate emoluments of the highest paid Director were as follows

Highest paid director

	2006 £	2005 £
Aggregate emoluments	191,009	160,383
	191,009	**160,383**

7. Finance income - Net

Finance income (net) comprises the following -

	2006	2005
	£	£
Interest income		
Bank and treasury deposit interest received	357,828	303,000
Bank interest paid	(735)	(1,499)
Finance income (net)	**357,093**	**301,501**

8. Taxation

The analysis of the (credit)/ charge for the year is as follows

	2006	2005
	£	£
Current tax.		
United Kingdom – Current year	(154,065)	565,171
United Kingdom – prior year	(726,993)	-
Overall tax (credit)/charge	**(881,058)**	**565,171**

The charge for tax is based upon a UK corporation tax rate of 30% for the calendar year 2006 (2005 30%)

The effective tax rate for the year is lower than the standard UK corporation tax rate of 30% The differences are explained below

	2006 £	2005 £
Profit before tax	16,955,512	11,313,193
Tax charge at average UK corporation tax rate of 30% (2005 30%)	5,086,654	3,393,958
Prior year adjustments	(726,993)	-
Allowable write offs	(565,072)	-
Effect of non-allowable impairment	1,259,750	2,427,873
Other non-allowable expenses	8,792	14,685
Capital gains qualify for Substantial Shareholding Exemptions	(3,515,310)	(4,037,848)
Unrealised gains due to fair value movement, not taxable as currently meeting criteria for Substantial Shareholding Exemption	(1,834,218)	(1,064,400)
Dividend income – non taxable	(594,661)	(169,096)
Other items	-	-
Overall tax (credit)/charge	**(881,058)**	**565,171**
Effective tax rate %	**-5 21%**	**4 99%**

9. Available for sale financial assets 'AFS'

	2006 £	2005 £
As at 1 January	6,082,233	6,138,452
Effect of Adoption of IAS 32 & 39	-	551,953
Restated Balance under IFRS as at 1 January	6,082,233	6,690,405
Additions	-	160,391
Disposals	(92,316)	(593,243)
Fair value gain on disposal transfer to income statement	-	(406,303)
Fair value movements	271,871	230,983
Write-off	(1,883,572)	-
Balance at 31 December	**4,378,216**	**6,082,233**
Impairment		
As at 1 January	4,705,405	3,462,091
Impairment charge for the year	670,512	1,243,314
Write-off	(1,883,572)	-
Balance at 31 December	**3,492,345**	**4,705,405**
Net Book Value at 31 December	**885,871**	**1,376,828**

Particulars of investments as at 31 December 2006 are as follows -

Country of registration or incorporation	Company name	Percentage of equity share held	Percentage of voting equity held
UK	Adeptra Holdings Limited	10 6%	10 6%
UK	British Biocell International Limited	Less than 5%, AIM floated	
UK	Ticketing Solutions	10%	10%
UK	Sussex Place Investment Management	15 8%	Investment into a fund

The investments above represent investments in listed debt and equity securities, as follows -

	2006 £	2005 £
Investment in fund	-	100,000
UK equities – unquoted	-	662,828
UK equities – listed securities	885,871	614,000
At 31 December	**885,871**	**1,376,828**

10. Investments in financial assets designated as fair value through profit and loss

	2006 £	2005 £
As at 1 January	21,339,159	18,959,248
Effect of Adoption of IAS 32 & 39		869,457
Restated Balance under IFRS as at 1 January	21,339,159	19,828,705
Additions	285,883	5,542,472
Reclassification of asset to subsidiaries	-	(1,405,065)
Reclassification of asset from subsidiaries	1,401,852	-
Disposals	(8,873,803)	(5,264,677)
Revaluation surplus	6,114,059	3,548,000
Write-off	-	(910,276)
Balance at 31 December	20,267,150	21,339,159
Impairment		
As at 1 January	3,584,393	1,894,615
Impairment charge for the year	4,199,165	2,108,785
Reclassification of impairment charge to subsidiaries	-	(419,007)
Reclassification of impairment charge from subsidiaries	1,401,852	-
Balance at 31 December	9,185,410	3,584 393
Net Book Value at 31 December	11,081,740	17,754,765

Particulars of investments as at 31 December 2006 are as follows -

Country of registration or incorporation	Company name	Percentage of equity share capital held	Percentage of voting equity held
UK	Whistlestop Discount Stores Limited	22 5%	22.5%
UK	Accura Support Services Limited	39.15%	39 15%
UK	APR Smartlogick Limited	34 6%	34 6%
UK	ARM Holdings Limited	25.02%	25 02%
UK	Benlowe	30.88%	30 88%
UK	Bifold	35 2%	35.2%
UK	Chips Away International Limited	32 3%	32 3%
UK	CCS (Crown)	42.75%	42 75%
UK	Exor Group Ltd	84.5%	47.52%
UK	Garwyn Limited	51.70%	43.41%
UK	H&K	37.38%	37.38%
UK	IGLU	21.08%	21.08%
UK	Insight	35 99%	35.99%
UK	KIH/Kingdom	46.8%	43 4%
UK	Lakeview	56.6%	43 4%
UK	Le Monde Limited	33 25%	33.25%
UK	MSW	28 71%	28.71%
UK	Original Additions	42.5%	42 5%
UK	Qube	45%	49 9%
UK	Rollalong	60.9%	43.4%
UK	RS Washrooms	35.7%	35.7%
UK	Sitec	30.6%	30 6%
UK	Uninterruptible Power Supplies	55 24%	43.41%
UK	Warehouse Express	46 71%	43.41%
UK	You Travel	34 8%	34 8%

11. Loans and receivables

This is loan notes issued to investee companies as part of the Company's investments therein

	2006 £	2005 £
As at 1 January	60,205,069	39,652,132
Effect of Adoption of IAS 32 & 39	-	-
Restated Balance under IFRS as at 1 January	**60,205,069**	**39,652,132**
Additions	47,094,136	33,048,195
Reclassification of asset to subsidiaries	-	(1,923,310)
Reclassification of asset from subsidiaries	2,638,409	-
Disposals	(11,427,581)	(8,810,200)
Write-off	-	(1,761,748)
Balance at 31 December	**98,510,033**	**60,205,069**
Impairment		
As at 1 January	4,243,636	4,592,994
Impairment charge for the year	14,067,076	(349,358)
Reclassification of impairment charge from subsidiaries	2,638,409	-
Balance at 31 December	20,949,121	4,243,636
Net Book Value at 31 December	**77,560,912**	**55,961,433**

12 Investments in subsidiaries

As at 31/12/06 there were no investments where the company could exercise control, and therefore no subsidiaries at 31/12/06

	2006 £	2005 £
At 1 January	**4,040,261**	-
Additions	-	711,886
Reclassification of assets from equity	-	1,405,065
Reclassification of assets from loans and receivables	-	1,923,310
Reclassification of assets to equity	(1,401,852)	-
Reclassification of assets to loans and receivables	(2,638,409)	-
Balance at 31 December	-	**4,040,261**
Impairment		
As at 1 January	**4,040,261**	-
Impairment charge for the year	-	3,621,254
Reclassification of impairment charge from equity	-	419,007
Reclassification of impairment charge to equity	(1,401,852)	-
Reclassification of impairment charge to loans and receivables	(2,638,409)	-
Balance at 31 December	-	**4,040,261**
Net Book Value at 31 December	-	-

During 2005 both investments have been restructured such that ongoing control would not be a factor and the investments have, therefore, been de-consolidated in 2006 Where swamping rights are triggered this is usually a temporary investment control scenario which should not be construed as any form of deeper ownership, underwriting or commitment by the Company or the Barclays Group

13. Other receivables and accrued income

An analysis of other receivables is as follows

	2006 £	2005 £
SULN Accrual	3,069,134	-
Other receivables	82,631	32,834
Accrued income	-	797,459
Amount due from group companies	689	-
	3,152,454	**830,293**

14. Accrued expenses and other payables

An analysis of trade and other payables is as follows

	2006 £	2005 £
Amounts received in advance in respect of issue of share capital	-	**4,000,000**
Provision against contingent liabilities*	-	500,000
Accrued expenses	166,331	165,959
Deferred Income	89,583	-
VAT	25,874	24,502
Amount owed to group companies	-	119
	281,788	**4,690,580**

The Directors consider that the carrying amount of trade payables approximates their fair value

*this relates to an amount that, at year end 31 December 2005, was likely to be payable in respect of an Overdraft guarantee issued in favour of an investee company, and against which provision was therefore raised The guarantee was subsequently settled in February 2006

15. Current Tax

The components of income taxes (benefit) are as follows

	2006 £ Assets	2006 £'s Liabilities
Current taxes		
United Kingdom	153,336	-
	153,336	-

16. Share capital

Particulars of the Company's share capital were as follows

	Number of Ordinary £1 Shares £	Number of Ordinary £1 Shares £	Total £
At 31 December 2005	**64,000,000**	**64,000,000**	**64,000,000**
Issued and fully paid during the year	10,665,000	10,665,000	10,665,000
At 31 December 2006	**74,665,000**	**74,665,000**	**74,665,000**

The authorised share capital of Barclays Unquoted Investments Limited is £110,000,000, (2005 £110,000,000), comprising 110m (2005 110m) ordinary shares of £1 All issued shares are fully paid

17 Financial risks

The main financial risks that the Company is exposed to and its management policy with respect to those risks are as follows

- Fair value risk, the risk that value for the Company's financial instruments measured at fair value may fall Fair value risk is one of the risks of investment that is assessed at the outset of any investment and then actively, tracked and managed via the portfolio management activities of the business

- Credit risk, the risk that counterparties to the Company's loans and receivables may default

  The Company assesses all counterparties, including its investee companies, for credit risk before contracting with them The company's loans and receivables are widely spread across certain investment portfolio with the maximum exposure to any one counter party not exceeding £11,000,000

- Interest rate risk, this is the risk of volatility in net interest income on loans and receivables which then affects the profitability and/or the liquidity of the Company The liquidity and interest cost risk is fundamentally mitigated by the Company being funded entirely by non-interest bearing and permanent ordinary share capital subscribed by the parent company The affect on profitability is mitigated by the Company setting fixed interest coupons on loans and receivables which are generally paid on an ongoing basis, rather than rolled-up, wherever this is feasible commercially In any case, interest income is a small proportion of planned overall income which is mainly constructed from capital gains

17. Financial risks (continued)

- **INTEREST RATE RISK ANALYSIS**

The table below summarises the re-pricing profiles of the Company's financial assets and liabilities in the balance sheet as at 31 December 2006 Items are allocated to time periods by reference to the earlier of the next contractual interest rate re-pricing date and the maturity date

Financial Instrument	<1 year £'000	1-2 years £'000	2-3 years £'000	3-4 years £'000	4-5 years £'000	>5 years £'000	Other/ non interest bearing £'000	Total £'000
Assets								
Loans and receivables, including SULNs	1,000	4,699	3,490	9,279	6,536	52,556	-	77,560
Available for sale financial assets	-	-	-	-	-	-	886	886
Investments in financial assets designated as fair value	-	-	-	-	-	-	11,082	11,082
Subsidiaries following swamping right triggers	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	3,306	3,306
Cash at bank	10,626	-	-	-	-	-	-	10,626
Total assets	11,626	4,699	3,490	9,279	6,536	52,556	15,274	103,460
Liabilities								
Accrued expenses and other payables	-	-	-	-	-	-	282	282
Current Tax assets	-	-	-	-	-	-	-	-
Called up share capital	-	-	-	-	-	-	74,665	74,665
Available for sale reserve	-	-	-	-	-	-	649	649
Retained earnings	-	-	-	-	-	-	27,864	27,864
Total liabilities	-	-	-	-	-	-	103,460	103,460
Interest rate repricing gap	11,626	4,699	3,490	9,279	6,536	52,556	(88,186)	-
Cumulative interest rate repricing gap	11,626	16,325	19,815	29,094	35,630	88,186	-	-

18. Reconciliation of operating profit to net cash flow from operating activities

	2006 £	2005 £
Profit from operations	16,598,424	11,011,692
Net (increase)/decrease in other receivables and accrued income	(2,322,161)	1,525,173
Net (decrease)/increase in accrued expenses and other payables	(4,408,793)	2,391,647
Impairment charge	18,936,753	9,296,019
Revaluation of financial assets at fair value through the P&L	(6,114,059)	(3,548,000)
Net cash inflow from operating activities	**22,690,164**	**20,676 531**

19. Related Party Transactions

There was an internal recharge of costs from Barclays Bank PLC to the Company in respect of staff and other costs, in line with transfer pricing requirements Such recharge included a 2% handling fee commercial premium in line with Group transfer pricing requirements See details of the resulting internal recharge costs incurred by the Company below

	2006 £	2005 £
Internal recharge of staff expenses	1,585,802	1,220,537
Internal recharge of non-staff costs	646,955	698,949
Total	**2,232,757**	**1,919,486**

The cash at bank of the company is held via a bank account operated by the parent and, as a result, bank interest income is received from the parent.
The following items have been charged in arriving at Administrative expenses

20. Retained Earnings and other reserve

	2006 Available for Sale £	2006 Retained Earnings £	2005 Available for Sale £	2005 Retained Earnings £
As at 1 January	376,633	10,028,036	551,953	(719,986)
Profit after Taxation	-	17,836,575	-	10,748,022
Available for Sale Investments				
Fair value gain on disposal transfer to income statement	-	-	(406,303)	-
Fair Value Movements	271,871	-	230,983	-
Balance as at 31 December	**648,504**	**27,864,611**	**376,633**	**10,028,036**

21. Ultimate Holding Company

The immediate parent undertaking and 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 accounts 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 the Barclays Corporate Secretariat, 1 Churchill Place London E14 5HP