BARCLAYS UNQUOTED INVESTMENTS LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

REGISTERED NUMBER: 2156066

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DIRECTORS' REPORT

The Directors present their report together with the audited financial statements at 31 December 2008.

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.

The Company made five new investments in the period.

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

Conditions in the UK (and wider global) economy were progressively challenging in the latter half of 2008. This has had mixed results for the investment portfolio as a whole, which benefits from a fairly wide sectoral diversity, and is reflected in the year end valuations. The immediate outlook in 2009 is for a continuing recession in the UK economy. During this time, the Company will primarily focus on the active investment management of its portfolio to ensure that wherever feasible the businesses are robust enough to handle the more difficult trading conditions that now exist and poised to take good advantage of the acquisition opportunities which should increasingly arise in these market conditions.

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 investments made, the value of existing investments and returns realised from investment disposals.

Results and dividends

During the year the Company made a profit after taxation of £12,694,260 (2007: £17,005,488). 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 appointment and resignation, where appropriate, are as shown below:

JT Anderson
K L Kapur
S Y Sutton

Directors third party indemnity provisions

Qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006) were accordingly 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 may occur (or have occurred) in connection with their duties, powers or 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 31.

- 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.

Auditors

PricewaterhouseCoopers 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

K L Kapur
Director

29th April 2009

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BARCLAYS UNQUOTED INVESTMENTS LIMITED

We have audited the financial statements of Barclays Unquoted Investments Limited at 31 December 2008 which comprises the Income Statement, the Balance Sheet, the Cash Flow Statement, the Statement of Changes in Equity and the related notes on pages 4 to 31. 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 2008 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
30 April 2009

Barclays Unquoted Investments Limited
Year Ended 31 December 2008
Income Statement & Statement of Changes in Equity

INCOME STATEMENT

	Notes	2008 £	2007 £
Income from financial assets	4	10,595,030	17,820,862
Administrative expenses		(2,969,111)	(3,175,167)
Operating profit	5	**7,625,919**	**14,645,695**
Finance income – Net	7	643,382	1,070,269
Profit before taxation		**8,269,301**	**15,715,964**
Taxation Credit	8	4,694,959	1,289,524
Profit after taxation		**12,964,260**	**17,005,488**
Retained profit brought forward		44,870,099	27,864,611
Retained profit carried forward		**57,834,359**	**44,870,099**

STATEMENT OF CHANGES IN EQUITY

	Share Capital £	Retained Earnings £	Available for Sale 'AFS' revaluation reserve £	Total £
At 1 January 2007	74,665,000	27,864,611	648,504	103,178,115
Issue of share capital in 12 months to 31/12/07	-	-	-	-
Fair Value Movements	-	-	153,638	153,638
Profit for 12 months to 31/12/07	-	17,005,488	-	17,005,488
As at 31 December 2007	**74,665,000**	**44,870,099**	**802,142**	**120,337,241**
At 1 January 2008	74,665,000	44,870,099	802,142	120,337,241
Issue of share capital in 12 months to 31/12/08	8,000,000	-	-	8,000,000
Fair Value Movements	-	-	(802,142)	(802,142)
Profit for 12 months to 31/12/08	-	12,964,260	-	12,964,260
As at 31 December 2008	**82,665,000**	**57,834,539**	-	**140,499,359**

The accompanying notes form an integral part of the financial statements

Barclays Unquoted Investments Limited
At 31 December 2008
Balance Sheet

BALANCE SHEET

	Notes	2008 £	2007 £
NON CURRENT ASSETS			
Available for sale financial assets	9	308,707	1,348,216
Investments in financial assets designated as fair value	10	4,647,149	4,082,252
Loans and receivables	11	86,789,443	66,837,595
Investments in subsidiaries	12	20,196,022	14,287,681
Total non-current assets		**111,941,321**	**86,555,744**
Current assets			
Trade and other receivables	13	11,502,842	3,218,136
Current tax asset	15	4,550,507	-
Cash and Cash equivalent		12,941,849	31,459,178
Total current assets		28,995,198	34,677,314
Total assets		**140,936,519**	**121,233,058**
LIABILITIES			
Current liabilities			
Trade and other payables	14	(437,160)	(599,125)
Current tax liabilities	15	-	(296,692)
Total current liabilities		(437,160)	(895,817)
Net current assets		28,558,038	33,781,497
Net assets		**140,499,359**	**120,337,241**
SHAREHOLDERS' EQUITY			
Called up share capital	16	82,665,000	74,665,000
Available for sale reserve	17	-	802,142
Retained earnings	17	57,834,359	44,870,099
Total shareholders' equity		**140,499,359**	**120,337,241**

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 29th April 2009.
They were signed on its behalf by:

K L Kapur
Director

CASHFLOW STATEMENT

	Notes	2008 £	2007 £
Inflow from operating activities	20	18,426,230	35,262,724
Interest received	7	643,389	1,070,311
Interest (paid)	7	(7)	(42)
Tax (paid)/ received		(152,241)	1,739,553
Net cash from operating activities		**18,917,371**	**38,072,546**
Cash flows from investing activities			
Investment in financial assets and loans		(62,608,395)	(49,217,772)
Disposal/ redemption of financial assets and loans		17,173,693	31,978,814
Net cash (used in) investing activities		**(45,434,702)**	**(17,238,958)**
Cash flows from financing activities			
Cash received from Barclays Bank PLC re issue of ordinary shares	16	8,000,000	-
Net cash from financing activities		**8,000,000**	-
Net (decrease)/ increase in cash and cash equivalents		(18,517,331)	20,833,588
Cash and Cash equivalent at beginning of year		31,459,178	10,625,590
Cash and Cash equivalent at end of year		**12,941,849**	**31,459,178**

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 International Financial Reporting Standards ('IFRS'), and accordingly consolidated financial statements have not been prepared.

The Company is a private limited company, incorporated in Great Britain. 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 IFRS, adopted for use in the European Union, International Financial Reporting Interpretations Committee ('IFRIC') interpretations and 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 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 IAS39, '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 is recognised when the right to receive payment is established, which is when the dividends are received or the dividends are appropriately authorised.

(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 IAS39, 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.

(iii) 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.

Impairment losses, investment income, and translation differences on monetary items are recognised in the income statement.

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 at bank and demand deposits, such bank balance being in a bank account with the parent company.

(f) Employee benefits

The Company is a member of the Barclays PLC UK Retirement Fund, and the post retirement health care and other benefit schemes offered by Barclays PLC. There are no contractual arrangements to share actuarial gains and losses arising in these schemes. Contributions to the fund are recognised as an expense in the income statement in the accounting period to which they relate. Any unpaid contributions are recognised in the balance sheet as a liability.

4. Income from financial assets

	2008 £	2007 £
Realised capital gains	22,271,054	21,453,965
Impairment and write offs	(19,152,113)	(14,001,773)
Unrealised fair value gains (net)	2,739,860	1,963,785
Other income from financial assets	1,914,374	3,494,990
Interest on Subordinated loan note	2,821,855	4,909,895
Total income from financial assets	**10,595,030**	**17,820,862**

5. Operating profit

The following items have been charged in arriving at operating profit

	2008 £	2007 £
Staff costs (note 6)	2,356,290	1,871,830
Auditors' Remuneration		
- Audit of the Company's annual accounts	30,000	29,728

Auditors' 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:

	2008 £	2007 £
Internal recharge of Wages and salaries	2,134,229	1,681,584
Internal recharge of Social security costs	222,061	190,246
	2,356,290	**1,871,830**

The average number of persons to which the overleaf recharge relates:-

	Number	Number
Sales	17	13
Administration	12	11
Average number of employees	**29**	**24**

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:

	2008	**2007**
	£	**£**
Aggregate emoluments	223,241	271,953
	223,241	**271,953**

One Directors is accruing retirement benefits under a defined benefit scheme (2007: two) and one Director is accruing benefits under a defined contribution scheme (2007: one). These are Group Schemes which form part of the recharge to the Company. One Director exercised options under the Barclays PLC Sharesave scheme and Long Term Incentive Schemes during 2008 (2007: two)

The aggregate emoluments of the highest paid Director were as follows:

Highest paid director

	2008	**2007**
	£	**£**
Aggregate emoluments	165,653	243,516
	165,653	**243,516**

7. Finance income - net

Finance income (net) comprises the following:-

	2008	2007
	£	£
Interest income		
Bank and treasury deposit interest received	643,389	1,070,311
Bank interest paid	(7)	(42)
Finance income (net)	**643,382**	**1,070,269**

8. Taxation

The analysis of the tax (credit) for the year is as follows:

	2008	2007
	£	£
Current tax:		
United Kingdom – Current year	(4,737,093)	(1,289,524)
United Kingdom – prior year adjustment	42,134	-
Overall tax (credit)	**(4,694,959)**	**(1,289,524)**

The charge for tax is based upon a pro rated UK corporation tax rate of 28.5% for the calendar year 2008 (2007:30%).

The effective tax rate for the year is lower than the standard UK corporation tax rate of 28%. The differences are explained below:

	2008	2007
	£	£
Profit before tax	8,269,301	15,715,964
Tax charge at average UK corporation tax rate of 28.5% (2007:30%)	2,356,751	4,714,789
Prior year adjustments	42,134	-
Allowable write offs	-	-
Effect of non-allowable impairment	(333,190)	1,566,233
Other non-allowable expenses	14,903	31,052
Capital gains qualify for Substantial Shareholding Exemptions	(6,791,916)	(9,024,406)
Unrealised loss due to fair value movement; non-allowable as currently meeting criteria for Substantial Shareholding Exemption	27,038	1,999,081
Indexation allowance of Capital Gain	(8,795)	
Dividend income – non taxable	(1,885)	(576,273)
Overall tax (credit)	**(4,694,959)**	**(1,289,524)**
Effective tax rate %	**-56.78%**	**-8.20%**

9. Available for sale financial assets 'AFS'

	2008	2007
	£	£
As at 1 January	**6,237,309**	**5,874,438**
Additions	-	308,707
Disposals	(278,743)	(99,474)
Fair value movements	(802,142)	153,638
Write-off	(2,193,576)	-
Balance at 31 December	**2,962,848**	**6,237,309**

Impairment

	2008	2007
As at 1 January	4,889,093	4,988,567
Impairment charge for the year	-	-
Write-off eliminated on disposal	(2,234,952)	(99,474)
Write-off	-	-
Balance at 31 December	**2,654,141**	**4,889,093**
Net Book Value at 31 December	**308,707**	**1,348,216**

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

	2008	2007
	£	£
UK equities – unquoted	308,707	308,707
UK equities – listed securities	-	1,039,509
At 31 December	**308,707**	**1,348,216**

10. Investments in financial assets designated as fair value

	2008	2007
	£	£
As at 1 January	**10,074,353**	**12,258,671**
Additions	182,620	2,942,291
Reclassification of asset from Loans and receivables	-	1,923,310
Reclassification of asset to subsidiaries	(31,230)	(2,554,322)
Reclassification of asset from subsidiaries	2,514,041	-
Disposals	(94,902)	(241,776)
Write-off	(950,053)	(4,253,821)
Balance at 31 December	**11,694,829**	**10,074,353**

Fair Value movements

	2008	2007
As at 1 January	**(5,992,101)**	**(1,176,931)**
Fair value movements in the year	478,568	(5,397,201)
Fair value write-off	950,053	-
Reclassification of fair value movement from Loans and receivables	-	(1,923,310)
Reclassification of fair value movement charge to subsidiaries	21,141	2,505,341
Reclassification of fair value movement charge from subsidiaries	(2,505,341)	-
Balance at 31 December	**(7,047,680)**	**(5,992,101)**
Net Book Value at 31 December	**4,647,149**	**4,082,252**

11. Loans and receivables

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

	2008	2007
	£	£
As at 1 January	**88,480,746**	**98,510,033**
Additions	55,926,989	45,966,774
Reclassification of asset to Investments in financial assets designated as fair value.	-	(1,923,310)
Reclassification of asset to subsidiaries	(18,262,653)	(20,485,186)
Reclassification of asset from subsidiaries	13,736,486	-
Disposals	(16,799,961)	(31,637,565)
Write-off	(9,959,131)	(1,950,000)
Balance at 31 December	**113,122,476**	**88,480,746**

Impairment

	2008	2007
As at 1 January	**21,643,151**	**20,949,121**
Impairment charge for the year	19,766,927	10,813,826
Impairment Write-off	(9,959,131)	(1,950,000)
Reclassification of impairment charge to Investments in financial assets designated as fair value.	-	(1,923,310)
Reclassification of impairment charge to subsidiaries	(11,364,400)	(6,246,486)
Reclassification of impairment charge from subsidiaries	6,246,486	-
Balance at 31 December	**26,333,033**	**21,643,151**
Net Book Value at 31 December	**86,789,443**	**66,837,595**

12. Investments in subsidiaries

These are investments which would normally be included in notes 9, 10 and 11, but where investor protection rights have been triggered giving rise to the right but not the obligation for the Company to effect control if it should choose to do so and follow the required process. The Company has not effected its rights in any of the cases and, in order to protect the interests of the investee companies, details of the individual investee companies have not been detailed (though they would be detailed in the event that the Company had effected its right). At the reporting date the effective voting of the Company in the entities did not exceed 49.9% and the Company had not effected any other means of control in any of the entities at the reporting date (or as a post reporting date event hereto).

	2008 £	2007 £
At 1 January	**23,039,508**	-
Additions	6,498,786	-
Reclassification of assets from Investments in financial assets designated as fair value.	31,230	2,554,322
Reclassification of assets from loans and receivables	18,262,653	20,485,186
Reclassification of assets to Investments in financial assets designated as fair value.	(2,514,041)	-
Reclassification of assets to loans and receivables	(13,736,486)	-
Disposal	(87)	-
Balance at 31 December	**31,581,563**	**23,039,508**
Impairment		
As at 1 January	**8,751,827**	-
Reclassification of impairment charge from Investments in financial assets designated as fair value.	21,141	2,505,341
Reclassification of impairment charge from loans and receivables	11,364,400	6,246,486
Reclassification of impairment charge to Investments in financial assets designated as fair value.	(2,505,341)	-
Reclassification of impairment charge to loans and receivables	(6,246,486)	-
Balance at 31 December	**11,385,541**	**8,751,827**
Net Book Value at 31 December	**20,196,022**	**14,287,681**

Where swamping rights are triggered this is usually a temporary investment control scenario.

13. Trade and other receivables

An analysis of other receivables is as follows:

	2008	2007
	£	£
SULN Accrual	2,439,643	3,204,955
Other receivables	13,199	13,181
Amount due from group companies (Note 21)	9,050,000	-
	11,502,842	**3,218,136**

14. Trade and other payables

An analysis of trade and other payables is as follows:

	2008	2007
	£	£
Provision for amount guaranteed*	-	300,000
Accrued expenses	319,422	198,755
Deferred income	87,000	72,500
Other creditors	30,738	27,870
	437,160	**599,125**

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 2007, 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 March 2008.

15. Current Tax assets/ (liabilities)

The components of current tax assets/ (Liabilities) are as follows:

	2008	2007
	£	£
UK Corporation Tax Receivable/ (payable)	4,550,507	(296,692)
	4,550,507	**(296,692)**

16. Share capital

Particulars of the Company's share capital were as follows:

	Number of Ordinary £1 Shares	Total
		£
At 31 December 2007	**74,665,000**	**74,665,000**
At 31 December 2008	**82,665,000**	**82,665,000**

The authorised share capital of Barclays Unquoted Investments Limited is £310,000,000, (2007: £110,000,000), comprising 310million (2007: 110million) ordinary shares of £1. All issued shares are fully paid.

17. Retained earnings and other reserve

	2008 Available for Sale	2008 Retained Earnings	2007 Available for Sale	2007 Retained Earnings
	£	£	£	£
As at 1 January	802,142	44,870,099	648,504	27,864,611
Profit after Taxation	-	12,964,260	-	17,005,488
Available for Sale Investments				
Fair value gain on disposal transfer to income statement	(802,142)	-	-	-
Fair Value Movements	-	-	153,638	-
Balance as at 31 December	**-**	**57,834,359**	**802,142**	**44,870,099**

18. Financial risks

The Company's activities expose it to a variety of financial risks. These are credit risk, liquidity risk and market risk, (which includes interest rate risk and price risk). Consequently, the Company devotes considerable resources to maintaining effective controls to manage, measure and mitigate each of these risks, and regularly reviews its risk management procedures and systems to ensure that they continue to meet the needs of the business.

The Board of Directors monitors the Company's financial risks and has responsibility for ensuring effective risk management and control.

(a) Credit Risk

Credit risk is the risk of suffering financial loss, in particular in the event that any of the Company's investments fail to perform to such an extent that the capital of the Company becomes at risk.

The Company assesses all investments before proceeding and there is a formal approval process via an Investment Committee, who also track the performance of all investments throughout the life of each investment. This Investment Committee would also agree any material changes in investment terms and the management thereof.

The Company does not hold collateral in respect of its investments, per the nature of its activity.

The concentrations of exposure in the Company's portfolio have been analysed and are considered reasonable for the Company in view of recent increase in investment mandate.

18. Financial risks (continued)

All of the investments are UK companies with the following representing an analysis by Industry Sector:-

Industry Sector

The spread by industry sector is considered reasonable, particularly given the diverse nature of businesses within each sub-sector

	2008								
	Energy	Healthcare	IT Services	Manufacturing & Engineering	Recruitment, Consulting & Training	Retail & Consumer	Support Services	Travel & leisure	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
As at 31 December									
Available for sale financial assets	-	-	309	-	-	-	-	-	309
Investments in financial assets designated at fair value	37	-	-	77	42	4,406	85	-	4,647
Loans and Receivables	5,257	-	-	34,516	6,801	16,914	19,165	4,136	86,789
Investments in Subsidiaries	-	-	-	6,289	-	11,409	2,498	-	20,196
Total non-current assets	**5,294**	**-**	**309**	**40,882**	**6,843**	**32,729**	**21,748**	**4,136**	**111,941**

	2007								
	Energy	Healthcare	IT Services	Manufacturing & Engineering	Recruitment, Consulting & Training	Retail & Consumer	Support Services	Travel & leisure	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
As at 31 December									
Available for sale financial assets	-	1,040	308	-	-	-	-	-	1,348
Investments in financial assets designated at fair value	8	-	2,216	1,731	42	11	74	-	4,082
Loans and Receivables	5,827	-	500	28,016	6,801	8,232	13,125	4,337	66,838
Investments in Subsidiaries	-	7,499	-	-	-	-	6,789	-	14,288
Total non-current assets	**5,835**	**8,539**	**3,024**	**29,747**	**6,843**	**8,243**	**19,988**	**4,337**	**86,556**

18. Financial risks (continued)

Maximum exposure to Credit Risk

The following table shows the maximum exposure to credit risk at 31 December 2008 and 2007:

	2008	2007
	£'000	£'000
Cash and Cash equivalent	12,942	31,459
Trade and other receivables	11,503	3,218
Financial assets at fair value through profit and loss:		
- Debt Securities	86,789	66,838
- Equity Securities	4,647	4,082
Available for sale Investments		
- Equity Securities	309	1,348
Investments in Subsidiaries		
- Debt Securities	20,130	14,239
- Equity Securities	66	49
Tax Asset	4,551	-
Total carrying amount	**140,937**	**121,233**

The Company does not hold any collateral as security.
The carrying amounts above are considered by the directors to approximate to fair value.

18. Financial risks (continued)

Financial assets subject to credit risk

For the purposes of the Company's disclosures regarding credit quality, financial assets subject to credit risk have been analysed as follows:

	Note	Cash and Cash equivalent	Trade and other receivables	At fair value through profit and loss	Available for sale	Investment in Subsidiaries	Tax Asset	Total
		2008						
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
As at 31 December								
Neither past due nor impaired	(i)	12,942	10,063	65,677	-	20,196	4,551	113,429
Past due but not impaired	(ii)	-	1,440	-	-	-	-	1,440
impaired	(iii)	-	14,257	62,913	2,963	11,386	-	91,519
Total								
Impairment allowance		-	(14,257)	(37,154)	(2,654)	(11,386)	-	(65,451)
Total carrying amount		**12,942**	**11,503**	**91,436**	**309**	**20,196**	**4,551**	**140,937**

	Note	Cash and Cash equivalent	Trade and other receivables	At fair value through profit and loss	Available for sale	Investment in Subsidiaries	Tax Asset	Total
		2007						
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
As at 31 December								
Neither past due nor impaired	(i)	31,459	2,111	55,867	1,039	14,288	-	104,764
Past due but not impaired	(ii)	-	1,107	-	-	-	-	1,107
impaired	(iii)	-	4,909	46,556	5,198	8,752	-	65,415
Total								
Impairment allowance		-	(4,909)	(31,503)	(4,889)	(8,752)	-	(50,053)
Total carrying amount		**31,459**	**3,218**	**70,920**	**1,348**	**14,288**	**-**	**121,233**

18. Financial risks (continued)

(i) Financial assets neither past due nor impaired

The credit quality of financial assets in the Company is considered to fall into one of the following categories

	2008			
	Non-Watchlisted	Watchlisted	Other	Total
	£'000	£'000	£'000	£'000
Cash and Cash equivalent	-	-	12,942	12,942
Trade and other receivables	-	-	10,063	10,063
Available for sale investments				
- Equity Securities	-	-	-	-
Financial assets at fair value through profit and loss:				
-Equity Securities	3,465	-	-	3,465
- Debt Securities	62,212	-	-	62,212
Investments in subsidiaries				
-Equity Securities	23	43	-	66
- Debt Securities	13,885	6,245	-	20,130
Tax Asset	-	-	4,551	4,551
Total financial assets subject to credit risk neither past due nor impaired	**79,585**	**6,288**	**27,556**	**113,429**

	2007			
	Non-Watchlisted	Watchlisted	Other	Total
	£'000	£'000	£'000	£'000
Cash and Cash equivalent	-	-	31,459	31,459
Trade and other receivables	1,938	160	13	2,111
Available for sale investments				
- Equity Securities	1,039	-	-	1,039
Financial assets at fair value through profit and loss:				
-Equity Securities	4,071	10	-	4,081
- Debt Securities	48,987	2,799	-	51,786
Investments in subsidiaries				
-Equity Securities	12	37	-	49
- Debt Securities	2,487	11,752	-	14,239
Total financial assets subject to credit risk neither past due nor impaired	**58,534**	**14,758**	**31,472**	**104,764**

18. Financial risks (continued)

Cash and Cash equivalent is wholly cash funds in bank/ treasury accounts with Barclays Bank PLC

Watchlisted investments are those where there is a need for close monitoring activity in terms of the investment performance, as required by the Company Investment Committee. All other investments are Non-watchlisted.

Trade and other receivables, denoted as either Non-watchlisted or Watchlisted, is wholly accrued interest on loans and receivables. The remaining Trade and other receivables is an inter-company debtor. That has been settled subsequently post year end.

(ii) Financial assets past due but not impaired

The age analysis of financial assets that are past due but not impaired is as follows:

	2008					
	Past due 1 month	Over 1 month but no more than 2 months	Over 2 month but no more than 3 months	Over 3 month but no more than 6 months	Past due 6 month	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Trade and other receivables	134	-	-	119	1,187	1,440
Total carrying amount	**134**	**-**	**-**	**119**	**1,187**	**1,440**

	2007					
	Past due 1 month	Over 1 month but no more than 2 months	Over 2 month but no more than 3 months	Over 3 month but no more than 6 months	Past due 6 month	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Trade and other receivables	615	-	-	-	492	1,107
Total carrying amount	**615**	**-**	**-**	**-**	**492**	**1,107**

18. Financial risks (continued)

(iii) Impaired financial assets

	2008			2007		
	Original carrying amount	Impairment allowance	Revised carrying amount	Original carrying amount	Impairment allowance	Revised carrying amount
	£'000	£'000	£'000	£'000	£'000	£'000
Trade and other receivables	14,257	14,257	-	4,909	4,909	-
Available for sale Investments						
- Equity Securities	2,963	2,654	309	5,198	4,889	309
Financial assets at fair value through profit and loss:						
-Equity Securities	11,447	10,265	1,182	9,861	9,860	1
- Debt Securities	51,466	26,889	24,577	36,695	21,643	15,052
Investments in subsidiaries	11,386	11,386	-	8,752	8,752	-
Total carrying amount	**91,519**	**65,451**	**26,068**	**65,415**	**50,053**	**15,362**

18. Financial risks (continued)

(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 assets of the business are medium to long term investments, along with some temporary cash holdings and a proportion of accrued interest on loans and receivables. The cash holding is a transitory position as the Company looks to keep cash holdings to a minimum, but will occasionally find itself in cash pending investments being progressed.

The medium to long term nature of the assets are funded by share capital from the parent and, therefore, the only Liquidity Risk is likely to be short term in relation to drawing of capital to meet investment objectives. The Company seeks to settle creditor positions as soon as possible. Majority of the Accrued expenses below is in relation to accruals in respect of due diligence costs in relation to prospective investments.

The following is an analysis of contractual maturity of financial assets and financial liabilities

The table below provides detail on the contractual maturity of all financial instruments and other assets and liabilities. Investments held at fair value and Available for Sale and liabilities which are included in the on demand column at their fair value. Liquidity risk on these items is not managed on the basis of contractual maturity since they are not held for settlement according to such maturity and will frequently be settled before contractual maturity at fair value.

2008

Financial Instrument	On demand £'000	<1 year £'000	1-2 years £'000	2-3 years £'000	3-4 years £'000	4-5 years £'000	>5 years £'000	Total £'000
Assets								
Loans and receivables, including SULNs	-	2,333	7,387	1,640	8,700	13,579	53,150	86,789
Available for sale financial assets	309	-	-	-	-	-	-	309
Investments in financial assets designated as fair value	4,647	-	-	-	-	-	-	4,647
Investments in subsidiaries	66	2,487	2,799	-	2,082	10,681	2,081	20,196
Trade and other receivables	1,440	10,063	-	-	-	-	-	11,503
Cash and Cash equivalent	12,942	-	-	-	-	-	-	12,942
Current Tax Asset	-	4,551	-	-	-	-	-	4,551
Total assets	**19,404**	**19,434**	**10,186**	**1,640**	**10,782**	**24,260**	**55,231**	**140,937**
Liabilities								
Trade and other payables	-	437	-	-	-	-	-	437
Total liabilities	-	**437**	-	-	-	-	-	**437**
Maturity Gap	19,404	18,997	10,186	1,640	10,782	24,260	55,231	140,500
Cumulative Maturity Gap	**19,404**	**38,401**	**48,587**	**50,227**	**61,009**	**85,269**	**140,500**	**140,500**

18. Financial risks (continued)

2007

Financial Instrument	On demand £'000	<1 year £'000	1-2 years £'000	2-3 years £'000	3-4 years £'000	4-5 years £'000	>5 years £'000	Total £'000
Assets								
Loans and receivables, including SULNs	-	2,878	4,221	3,048	4,064	15,312	37,315	66,838
Available for sale financial assets	1,348	-	-	-	-	-	-	1,348
Investments in financial assets designated as fair value	4,082	-	-	-	-	-	-	4,082
Investments in subsidiaries	48	-	4,232	5,745	-	1,421	2,842	14,288
Trade and other receivables	3,218	-	-	-	-	-	-	3,218
Cash and Cash equivalent	31,459	-	-	-	-	-	-	31,459
Total assets	**40,155**	**2,878**	**8,453**	**8,793**	**4,064**	**16,733**	**40,157**	**121,233**
Liabilities								
Trade and other payables	-	599	-	-	-	-	-	599
Current Tax liability	-	297	-	-	-	-	-	297
Total liabilities	-	**896**	-	-	-	-	-	**896**
Maturity Gap	40,155	1,982	8,453	8,793	4,064	16,733	40,157	120,337
Cumulative Maturity Gap	**40,155**	**42,137**	**50,590**	**59,383**	**63,447**	**80,180**	**120,337**	**120,337**

18. Financial risks (continued)

(c) 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.

(i) 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

Interest rate sensitivity analysis

All of the loans and receivables that have been issued by the Company are at a fixed rate and not floating rates (e.g margins plus LIBOR etc), therefore there is no variability on interest receipts as a result of changes in underlying market interest rates. There are no borrowings as full funding is met by Barclays Bank PLC in the form of share capital. However there are intercompany loans in place (BCIL - £8,250,000 and BCIL2 - £800,000), charged at Base Rate. Cash held at bank earns interest at base rate, but this is a transitory position as the business seeks to fully utilise all capital available by making new investments.

Impact on net interest income
The effect on interest of a 25 basis points change would be as follows:

	+25 basis points 2008	+25 basis points 2007	-25 basis points 2008	-25 basis points 2007
Total £'000	36	10	(36)	(10)
As a percentage of net interest income	1%	0%	(1%)	(0%)
As a percentage of Equity	0%	0%	(0%)	(0%)

(ii) Foreign currency risk

The Company is exposed to foreign currency risk from future foreign currency transactions, and recognised assets and liabilities.

At 31 December 2008, the Company had net Euro assets of £16.1m.

The following sensitivity table demonstrates the effects of a 10% rise or fall in foreign exchange rates for each of the major foreign currency exposures of the Company:

Effect on income

	2008				2007			
	Impact on profit after tax if currency weakens 10% vs GBP		Impact on profit after tax if currency strengthens 10% vs GBP		Impact on profit after tax if currency weakens 10% vs GBP		Impact on profit after tax if currency strengthens 10% vs GBP	
	£'000	**%**	**£'000**	**%**	**£'000**	**%**	**£'000**	**%**
Euro	(1,611)	(12%)	1,611	12%	(434)	(3%)	434	3%

18. Financial risks (continued)

(iii) Price risk

Price risk is the risk that market prices for the Company's investment securities measured at fair value may fall. The Company is exposed to equity securities price risk because of investments classified as available for sale or at fair value through profit or loss. The Company is not exposed to commodity price movements.

To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio and ensures all investments are pre-approved by its Investment Committee. Price risk is tracked via half yearly Valuations Committee and fair values applied as a result of this and any Directors over-rides at the reporting date.

The focus of investments is UK unquoted private companies and so the key to managing price risk is to ensure the Company does not over pay for its investments and can reasonably be expected to see value growth over the life of each investment. It is recognised that not all investment will be successful though the Company does seek to be successful in generating returns across its portfolio of investments.

(d) Financial assets designated at fair value

The carrying values are the same as the fair value in these accounts. Fair value is determined via Valuations Committee based on (i) original investment p/e ratio (ii) maintainable earnings for the underlying investment (iii) directors valuations.

19. Capital Management

The Company's objectives when managing capital are:

- To safeguard the Company's ability to continue as a going concern.
- To generate sufficient capital to support asset growth.

The Board of Directors is responsible for capital management and has approved minimum control requirements for capital and liquidity risk management.

The Company regards as capital its equity, as shown in the balance sheet

Total capital is as follows:

	2008 £	2007 £
Total Equity		
Share Capital	82,665,000	74,665,000
Available for Sale	-	802,142
Retained Earnings	57,834,359	44,870,099
Net Debt	437,160	895,817
Total capital resources	140,936,519	121,233,058

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

	2008	2007
	£	£
Profit from operations	7,625,919	14,645,695
Net (increase)/ decrease in Trade and other receivables	(8,284,706)	(65,683)
Net increase/ (decrease) in Trade and other payables	(161,965)	317,337
Impairment charge	19,152,113	13,701,773
Revaluation of financial assets at fair value through the P&L	94,869	6,663,602
Net cash inflow from operating activities	**18,426,230**	**35,262,724**

21. 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

	2008	2007
	£	£
Internal recharge of staff expenses	2,356,290	1,871,830
Internal recharge of non-staff costs	440,949	501,251
Total	**2,797,239**	**2,373,081**

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. Interest is also due on the intercompany loans held with BCIL and BCIL2.

<u>**2008**</u>

	Group Companies	Total
	£	£
Transactions		
Interest paid	-	-
Interest received	618,603	618,603
Balances outstanding at 31 December:		
Assets		
Cash balances with Barclays Bank PLC	12,941,849	12,941,849
Intercompany loan	9,050,000	9,050,000
Total net assets	**21,991,849**	**21,991,849**

2007

	Group Companies	Total
	£	£
Transactions		
Interest received	1,070,311	1,070,311
Balances outstanding at 31 December:		
Assets		
Cash balances with Barclays Bank PLC	31,459,178	31459,178
Total net assets	**31,459,178**	**31,459,178**

22. 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 PLCs statutory financial statements are available from the Barclays Corporate Secretariat, 1 Churchill Place London E14 5HP.