Barclays Unquoted Investments Limited

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

REGISTERED NUMBER: 2156066

Barclays Unquoted Investments Ltd (Registered Number: 2156066)
Directors' Report and Financial Statements
For the year ended 31 December 2011

INDEX

Barclays Unquoted Investments Limited (Registered Number 2156066)
Directors' Report
For the year ended 31 December 2011

The Directors present their annual report together with the audited financial statements for Barclays Unquoted Investments Limited (the 'Company') for the year ended 31 December 2011

Business review and principal activities

Review and principal activities
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 one new investment in the period

Business performance
The results of the Company show profit before tax £5,954,251(2010 Loss (£23,750,779)

Future outlook
Conditions in the UK (and wider global) economy continued to be challenging through 2011 This has had mixed results for the investment portfolio as a whole and is reflected in the year end valuations Although the immediate economic outlook remains uncertain it continues to provide both investment and divestment opportunities which are consistent with the principal activity of the Company This is, on balance, expected to favour the Company, which remains well funded

The Company will also 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 acquisition opportunities In addition, 2012 should benefit from the successful realisation of certain assets

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 and structuring, documenting of investor protection rights, and on-going tracking of business performance within the investment portfolio The above risks are managed by bi-annual investment valuations process, regular portfolio reviews, and through the use of investor protection rights

Key performance indicators
The key performance indicators for the business are primarily around levels of new investment made 1 (2010 0), exits and the value of existing investments £31,073,154 (2010 £37,833,965) The fall is mainly due to two successful exits

Results and dividends
During the year 2011 the Company made a profit after tax of £7,128,775 (2010 loss £14,971,067) The Directors do not recommend the payment of a final dividend (2010 £nil)

Directors
The Directors of the Company, who served during the year 2011 and up to the date of signing the financial statements, together with their dates of appointment and resignation, are as shown below

A C Brebbia	
J A Morgan	
S A Knuckey	
M Cooper	(appointed 27 January 2012)
S Modi	(Resigned 10 January 2012)
J T Anderson	(Resigned 11 January 2011)

Going Concern
After reviewing the Company's performance projections, the available banking facilities and taking into account the support available from Barclays Bank PLC, the directors are satisfied that the Company has adequate access to resources to enable it to meet its obligations and to continue in operational existence for the foreseeable future For this reason, the directors have adopted the going concern basis in preparing these financial statements

Barclays Unquoted Investments Limited (Registered Number 2156066)
Directors' Report
For the year ended 31 December 2011

Statement of Directors' responsibilities

The following statement, which should be read in conjunction with the independent auditors' Report set out on page 4, is made with a view to distinguishing for shareholders the respective responsibilities of the Directors and of the Auditors in relation to the financial statements

The Directors are required by the Companies Act 2006 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss for the financial year The Directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRS)s as published by the International Accounting Standards Board They are also in accordance with IFRSs as adopted by the European Union

The Directors consider that in preparing the financial statements on pages 5 to 26

- 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 2006 They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

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

Financial instruments

Barclays financial risk management objectives and policies, which are followed by the Company, and the exposure to market risk, credit risk and liquidity risk are set out in the note 'Financial Risks' on pages 18 to 22

Directors third party indemnity provisions

Qualifying third party indemnity provisions were in force during the course of the financial year ended 31 December 2011 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

Independent auditors

PricewaterhouseCoopers LLP will continue to hold office in accordance with Section 487 of the Companies Act 2006

Statement of disclosure of information to auditors

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

J A Morgan
Director
14th June 2012

Barclays Unquoted Investments Limited (Registered Number: 2156066)
Independent auditor's report
For the year ended 31 December 2011

INDEPENDENT AUDITORS' 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 2011 which comprises the Income Statement, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Cash flow statement and the related notes on pages 10 to 26 The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union

Respective responsibilities of directors and auditors
As explained more fully in the Statement of directors' responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the Valuation Committee papers to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements
In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit and cash flows for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Nick Morrison (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
14th June 2012

Barclays Unquoted Investments Limited (Registered Number: 2156066)
Income Statement
For the year ended 31 December 2011

	Notes	2011 £	2010 £
Continuing operations.			
Revenue	4	11,529,870	9,239,610
Impairment charge	11	(7,078,309)	(34,680,035)
Gross profit/(loss)		4,451,561	(25,440,425)
Administrative expenses		(2,285,490)	(2,520,755)
Operating profit/(loss)		**2,166,071**	**(27,961,180)**
Interest income	5	3,789,816	4,212,488
Interest expense	5	(1,636)	(2,087)
Profit/(Loss) before tax		**5,954,251**	**(23,750,779)**
Tax credit	8	1,174,524	8,779,712
Profit/(Loss) after tax		**7,128,775**	**(14,971,067)**

The accompanying notes form an integral part of the financial statements

Barclays Unquoted Investments Limited (Registered Number: 2156066)
Statement of Comprehensive Income
For the year ended 31 December 2011

	Notes	2011	2010
		£	£
Profit/(loss) after tax		7,128,775	(14,971,067)
Other comprehensive income:			
Fair value (losses) on available for sale assets	13	-	(322,977)
Other comprehensive income/(loss) for the year net of tax		-	(322,977)
Total comprehensive income/(loss) for the year		7,128,775	(15,294,044)

The accompanying notes form an integral part of the financial statements

Barclays Unquoted Investments Limited (Registered Number: 2156066)
Balance Sheet
For the year ended 31 December 2011

	Notes	2011	2010
		£	£
ASSETS			
Non-current assets			
Loans and other receivables	10	14,953,067	17,376,411
Investments in financial assets designated at fair value	12	16,120,087	20,457,554
Available for sale assets	13	-	-
Total non-current assets		**31,073,154**	**37,833,965**
Current assets			
Financial assets			
- Loans and other receivables	10	4,213,350	4,400,162
Current tax assets	15	2,181,962	14,912,853
Cash and cash equivalents		59,973,318	33,823,508
Total current assets		66,368,630	53,136,523
Total assets		**97,441,784**	**90,970,488**
LIABILITIES			
Current liabilities			
Trade and other payables	16	(1,159,342)	(1,874,684)
Financial liabilities			
- Derivative financial instruments	14	(755,500)	(697,637)
Total current liabilities		**(1,914,842)**	**(2,572,321)**
Net current assets		64,453,788	50,564,202
Net assets		**95,526,942**	**88,398,167**
SHAREHOLDERS' EQUITY			
Called up share capital	17	82,665,000	82,665,000
Retained earnings	18	12,861,942	5,733,167
Total shareholders' equity		**95,526,942**	**88,398,167**

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 14th June 2012 and were signed on its behalf by

J A Morgan
Director
14th June 2012

Barclays Unquoted Investments Limited (Registered Number: 2156066)
Statement of Changes in Equity
For the year ended 31 December 2011

	Share Capital £	Available for sale reserve £	Retained earnings £	Total equity £
Balance at 1 January 2011	**82,665,000**	**-**	**5,733,167**	**88,398,167**
Profit after tax	-	-	7,128,775	7,128,775
Other comprehensive income				
Available for sale financial assets	-	-	-	-
Total Comprehensive income for the year	**-**	**-**	**7,128,775**	**7,128,775**
Balance at 31 December 2011	**82,665,000**	**-**	**12,861,942**	**95,526,942**

	Share Capital £	Available for sale reserve £	Retained earnings £	Total equity £
Balance at 1 January 2010	**82,665,000**	**322,977**	**20,704,234**	**103,692,211**
Loss after tax	-	-	(14,971,067)	(14,971,067)
Other comprehensive income:				
Available for sale financial assets	-	(322,977)	-	(322,977)
Total Comprehensive income for the year	**-**	**-**	**(14,971,067)**	**(15,294,044)**
Balance at 31 December 2010	**82,665,000**	**-**	**5,733,167**	**88,398,167**

Barclays Unquoted Investments Limited (Registered Number 2156066)
Cash flow statement
For the year ended 31 December 2011

Continuing Operations	Notes	2011 £	2010 £
Reconciliation of profit/(loss) before tax to net cash flows from operating activities			
Profit/(loss) before tax		5,954,251	(23,750,779)
Allowance for impairment	11	7,078,309	34,680,035
Net decrease in Loans and other receivables		186,812	14,310,259
Net (decrease) in trade and other payables		(715,342)	(2,343,779)
Less net of interest (received)		(5,527,687)	(6,881,917)
Net (gains) on financial instruments held at fair value through profit or loss	4	(10,555,425)	(8,524,205)
Gains on disposal of debt instruments	4	(627,951)	-
Other non-cash movements		8,400	(25,730)
Cash from operating activities		(4,198,633)	7,463,884
Tax received		13,905,416	10,702,090
Net cash from operating activities		**9,706,783**	**18,165,974**
Cash flows from investing activities			
Interest received	5	3,789,816	4,212,488
Interest paid	5	(1,636)	(2,087)
Purchase of investments		(4,444,772)	(4,963,672)
Proceeds from sale of investments		17,099,619	10,714,377
Net cash from investing activities		**16,443,027**	**9,961,106**
Net increase in cash and cash equivalents		**26,149,810**	**28,127,080**
Cash and cash equivalents at the beginning of the year		33,823,508	5,696,428
Cash and cash equivalents at end of the year		**59,973,318**	**33,823,508**

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 investments in UK unquoted 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, domiciled and incorporated in 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 IFRS, adopted for use in the European Union, International Financial Reporting Interpretations Committee ('IFRIC') interpretations and those parts of the Companies Act 2006 applicable to companies reporting under IFRS

3. Summary of significant 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 financial statements

(a) Revenue Recognition

Included in the revenue are fair value movements (on financial assets held at fair value through the profit or loss), gains on disposals and other income from financial assets (monitoring fees)

(b) Interest

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

The effective interest rate is the rate that exactly discounts the expected future cash payments or receipts through the expected life of the financial instrument, or when appropriate, a shorter period, to the net carrying amount of the instrument. The application of the method has the effect of recognising income (and expense) receivable (or payable) on the instrument evenly in proportion to the amount outstanding over the period to maturity or repayment

(c) Current and deferred income tax

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

3 Summary of significant accounting policies (continued)

(c) Current and deferred income tax (continued)

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 consolidated 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 tax assets are recognised on deductible temporary differences, carry forward of unused tax losses and unused tax credits to the extent that it is regarded as probable that sufficient taxable profits will be available against which the deductible temporary difference , unused tax losses and unused tax credits can be utilised

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

(d) 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 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 and 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

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 the Valuations Committee taking into account amortised cost less any amounts that have been provided for to reflect impairment in the value of the asset.

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.

Available for sale

Available for sale investments are non-derivative financial investments that have been designated as available for sale and are not categorised into any of the other categories described above They 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

3 Summary of significant accounting policies (continued)

(d) Financial assets and liabilities (continued)

Available for sale (continued)

cumulative gain or loss is transferred to the income statement The assets are derecognised when the rights to receive cash flows have expired of the Company has transferred substantially all the risks and rewards of ownership

Impairment losses, investment income, and translation differences on monetary items are 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 observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, arising from adverse changes in the payment status of borrowers in the portfolio and national or local economic conditions that correlate with defaults on assets in the portfolio

For loans and receivables the Company first assesses whether objective evidence of impairment exists individually for individually significant loans and receivables, and then collectively assesses remaining loans and receivables that are not individually significant

In the case of available for sale equity securities, a significant or prolonged decline in the fair value of the security below its cost is also considered in determining whether impairment exists Where such evidence exists, the cumulative net loss that has been previously recognised directly in equity is removed from equity and recognised in the income statement In the case of debt instruments classified as available for sale, impairment is assessed based on the same criteria as all other financial assets Reversals of impairment of debt instruments are recognised in the income statement Reversals of impairment of equity shares are not recognised in the income statement, increases in the fair value of equity shares after impairment are recognised directly in equity

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

(e) Derivatives

The nature of the derivative reflects the fair value of options that the BUIL Co-investment scheme has over the Company's investments in financial assets designated at fair value and available for sale assets at the balance sheet

3 Summary of significant accounting policies (continued)

(e) Derivatives (continued)

date The derivative assets have an equal opposite liability in the balance sheet so that no gains or losses are recognized in the income statement The derivative is fair valued based on level 3 unobservable inputs as outlined in note 20

(g) Investment in subsidiaries

Investments in subsidiaries are stated at cost less impairment, if any

(g) Provisions

Provisions are recognized 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

Provision is made for the anticipated cost of restructuring, including redundancy costs when an obligation exists An obligation exists when the Company has a detailed formal plan for restructuring a business and has raised valid expectations in those affected by the restructuring by starting to implement the plan or announcing its main features The provision raised is normally utilised within nine months

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

(h) Cash and cash equivalents

For the purposes of the cash flow statement, cash comprises cash at bank and treasury deposits, such bank balance being in a bank account with the parent company This is included in related party transactions note 19

(i) Future Accounting Developments

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities IFRS 9 was issued in November 2009 and October 2010 It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments IFRS 9 requires financial assets to be classified into two measurement categories those measured as at fair value and those measured at amortised cost The determination is made at initial recognition The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument For financial liabilities, the standard retains most of the IAS 39 requirements The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch The Company is yet to assess IFRS 9's full impact and intends to adopt IFRS 9 no later than the accounting period beginning on or after 1 January 2013, subject to endorsement by the EU

4 Revenue

An analysis of revenue is as follows

	2011 £	2010 £
Net gains on financial instruments held at fair value through profit or loss	10,555,425	8,524,205
Realised gains on disposal of loan notes acquired at a discount	627,951	-
Other income from financial assets	346,494	715,405
Total	**11,529,870**	**9,239,610**

5 Interest income and interest expense

Finance costs (net) comprise the following -	2011 £	2010 £
Interest income		
Loans and other receivables	3,208,753	3,979,422
Bank interest received (Note 20)	581,063	233,066
Total interest income	**3,789,816**	**4,212,488**
Interest expense		
Bank interest paid (Note 20)	(1,636)	(2,087)
Total interest expense	**(1,636)**	**(2,087)**
Finance income	**3,788,180**	**4,210,401**

6 Profit before tax

The following items have been charged/ (credited) in arriving at operating profit

	2011 £	2010 £
Staff costs (note 7)	1,816,220	2,366,055
Auditors' Remuneration		
- Audit of the Company's annual financial statements [to be updated]	34,425	34,425
Impairment		
- Loans and other receivables	7,078,309	34,680,035
Gains on financial instruments held at fair value through profit or loss (Note 4)	(10,555,425)	(8,524,205)

There were no fees paid to the auditors in respect of non-audit services

7 Employees and key management, including directors

(i) Staff costs comprising the following

	2011 £	2010 £
Wages and salaries	1,624,153	2,139,465
Social security costs	192,067	226,590
Total	**1,816,220**	**2,366,055**

The average number of persons employed during the year, excluding agency staff, was 23 (2010 26)

(ii) Directors' remuneration.

Disclosures of Directors' remuneration as required by the Companies Act 2006 are as follows

	2011 £	2010 £
Aggregate remuneration in respect of qualifying services	27,878	123,048
Aggregate amounts receivable under long term incentive schemes	1,321	6,246
Total	**29,199**	**129,294**

Two Directors exercised options under the Barclays PLC Sharesave scheme and Long Term Incentive Schemes during 2011 (2010 None)

8. Tax

An analysis of the tax credit for the year is as follows

	2011	2010
	£	£
Current tax		
Current year	1,144,947	8,779,712
Adjustment for prior years	29,576	-
Total credit	1,174,524	8,779,712

There were no tax effects relating to any component of other comprehensive income

The effective rate of tax is 19 73% (2010 36 97%) The reduction in the rate from last year is primarily due to UK corporation tax changes and non-taxable gains as a proportion of profit before tax

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

	2011	2010
	£/%	£/%
Profit/(Loss) before tax	5,954,251	(23,750,779)
Tax charge/(credit) at standard average UK corporation tax rate of 26 5% (2010 28%)	(1,577,877)	6,650,218
Adjustment for prior years	29,576	-
Non-taxable gains and income (including amounts offset by unrecognised tax losses)	2,780,737	2,151,358
Other non-allowable expenses	(57,913)	(21,864)
Overall tax credit	**1,174,524**	**8,779,712**
Effective tax rate %	**19 73%**	**36 97%**

9. Investments in subsidiaries

	2011		2010	
	At cost	Fair value	At cost	Fair value
	£	£		
As at 1st January	**140,842**	-	**93,447**	**47,395**
Transfer of assets to financial assets designated at fair value	(50,932)	-	(54,695)	-
Transfer of assets from financial assets designated at fair value	-	-	89,910	-
Purchases		-	13,855	-
Sales		-	(1,675)	-
Total gains and losses in the period				
Impairment charge	-	-	-	(47,395)
As at 31st December	**89,910**	-	**140,842**	-

10 Loans and other receivables

An analysis of trade and other receivables is as follows

	2011		2010	
	Current	Non-current	Current	Non-current
	£	£	£	£
Loans and other receivables	5,952,857	65,827,054	7,071,678	75,323,068
Less Allowance for impairment	(1,739,507)	(50,873,987)	(2,671,516)	(57,946,657)
Loans and other receivables net	4,213,350	14,953,067	4,400,162	17,376,411
Total	**4,213,350**	**14,953,067**	**4,400,162**	**17,376,411**

10. Loans and other receivables (continued)

The Directors consider that the carrying value of the Company's loans and receivables approximates to their fair value

Information relating to financial risks is in Note 19

11 Allowance for impairment

2011	At 1 January	Exchange and other adjustments	Amounts written off	Recoveries	Amounts charged against profit	At 31 December
	£	£	£	£	£	£
Loans and other receivables	(60,618,173)	-	15,082,988	367,246	(7,445,555)	(52,613,494)
Available for sale	(2,962,848)	-	-	-	-	(2,962,848)
Total	**(63,581,021)**	-	**15,082,988**	**367,246**	**(7,445,555)**	**(55,576,342)**

2010	At 1 January	Exchange and other adjustments	Amounts written off	Recoveries	Amounts charged against profit	At 31 December
	£	£	£	£	£	£
Loans and other receivables	(71,825,294)	2,541,601	43,036,848	-	(34,371,328)	(60,618,173)
Available for sale	(2,331,164)	(322,977)	-	-	(308,707)	(2,962,848)
Total	**(74,156,458)**	**2,218,624**	**43,036,848**	-	**(34,680,035)**	**(63,581,021)**

12 Financial assets designated at fair value through profit and loss

	2011	2010
	£	£
Equity securities	16,120,087	20,457,554
Total	**16,120,087**	**20,457,554**

The above assets have been designated at fair value using the fair value option

An analysis of the fair values of theses securities and the valuation methodology applied are described in the Note 20

Information relating to financial risks is included in Note 19

13 Available for sale financial investments

	2011	2010
	£	£
At 1 January	-	**631,684**
Revaluation deficit transferred to equity	-	(322,977)
Impairment charge	-	(308,707)
At 31 December	-	-

14. Derivative financial instruments

Net fair values of derivative financial instruments held by the company are as follows

	2011	2010
	Liabilities	Liabilities
	£	£
Derivatives held under equity option	(755,500)	(697,637)
Derivative liabilities	**(755,500)**	**(697,637)**

There were no gains or losses recognised on the derivative financial instruments held under equity options

An analysis of the fair value of these securities and the valuation methodology applied is included in note 20

15. Current tax assets

Current tax assets were as follows

	2011	2010
	£	£
UK corporation tax receivable	2,181,962	14,912,853

16 Trade and other payables

An analysis of trade and other payables is as follows

	2011	2010
	Current	Current
	£	£
Trade payables	491,264	1,348,318
Accrued expenses	462,728	377,800
Deferred income	142,322	142,223
Amount due to related parties (Note 21)	63,028	6,343
Total	**1,159,342**	**1,874,684**

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

17. Share capital

Particulars of the Company's share capital were as follows

	Number of Shares	Ordinary Shares	Total
		£	£
At 1 January 2011	82,665,000	82,665,000	82,665,000
Movements	-	-	-
At 31 December 2011	82,665,000	82,665,000	82,665,000
At 1 January 2010	82,665,000	82,665,000	82,665,000
Movements	-	-	-
At 31 December 2010	82,665,000	82,665,000	82,665,000

The authorised share capital of Barclays Unquoted Investments Ltd is £82,665,000 (2010 £82,665,000), comprising 82,665,000 ordinary shares of £1 each All shares are issued and fully paid

18 Retained earnings and other reserves

	Retained earnings	Available for sale reserve	Total
	£	£	£
As at 1 January 2011	5,733,167	-	5,733,167
Profit after tax	7,128,775	-	7,128,775
Fair value losses on available for sale assets	-	-	-
Balance as at 31 December 2011	12,861,942	-	12,861,942
As at 1 January 2010	20,704,234	322,977	21,027,211
Loss after tax	(14,971,067)	-	(14,971,067)
Fair value losses on available for sale assets	-	(322,977)	(322,977)
Balance as at 31 December 2010	5,733,167	-	5,733,167

19 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, should any of the Company's customers, clients or market counterparties fail to fulfil their contractual obligations to the Company

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

Maximum exposure to credit risk

The Company's maximum exposure to credit risk is the carrying value of the assets This analysis and subject analyses of credit risk include only financial assets subject to credit risk They exclude other financial assets, mainly equity securities held in the trading portfolio or as available for sale assets, as well as non-financial assets

The analysis presented below shows the maximum exposure to credit risk

As at 31 December 2011	Total Exposure £
Cash and cash equivalents	59,973,318
Loans and other receivables	19,166,417
Available for sale assets	-
Total maximum exposure at 31 December	**79,139,735**

19. Financial risks (continued)

(a) Credit Risk (continued)

As at 31 December 2010	Total Exposure £
Cash and cash equivalents	33,823,508
Loans and other receivables	21,776,573
Available for sale assets	-
Total maximum exposure at 31 December	**55,600,081**

The Company does not hold any collateral as security

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 before

			31 December 2011		
	Note	Cash and cash equivalents	Loans and other receivables	Available for sale	Total
As at 31 December		£	£	£	£
Neither past due nor individually impaired	(a)	59,973,318	442,160	-	60,415,478
Individually impaired	(b)	-	71,337,752	2,962,848	74,300,600
Total		**59,973,318**	**71,779,911**	**2,962,848**	**134,716,077**
Impairment allowance		-	(52,613,494)	(2,962,848)	(55,576,342)
Total carrying amount		**59,973,318**	**19,166,417**	**-**	**79,139,735**

			31 December 2010		
	Note	Cash and cash equivalents	Loans and other receivables	Available for sale	Total
As at 31 December		£	£	£	£
Neither past due nor individually impaired	(a)	33,823,508	5,973,868	-	39,797,376
Individually impaired	(b)	-	76,420,878	2,962,848	79,383,726
Total		**33,823,508**	**82,394,746**	**2,962,848**	**119,181,102**
Impairment allowance		-	(60,618,173)	(2,962,848)	(63,581,021)
Total carrying amount		33,823,508	21,776,573	-	55,600,081

(a) **Financial assets neither past due nor impaired**

Financial assets subject to credit risk that are neither past due nor individually impaired can be analysed according to the rating systems used by the Company when assessing customers and counterparties The credit quality of financial assets subject to credit risk that were neither past due nor impaired are as follows

	Strong	Satisfactory	Higher risk	Total
31 December 2011	£	£	£	£
Cash and cash equivalents	59,973,318	-	-	59,973,318
Loans and other receivables	442,160	-	-	442,160
Total	60,415,478	-	-	60,415,478

19. Financial risks (continued)

(a) Credit Risk (continued)

(a) Financial assets neither past due nor impaired (continued)

31 December 2010	Strong £	Satisfactory £	Higher risk £	Total £
Cash and cash equivalents	33,823,508	-	-	33,823,508
Loans and other receivables	2,690,660	3,283,208	-	5,973,868
Total	36,514,168	3,283,208	-	39,797,376

(b) Individually impaired financial assets

Financial assets subject to credit risk and individually impaired were as follows

31 December 2011	Original carrying amount £	Impairment allowance £	Revised carrying amount £
Loans and other receivables	71,337,752	(52,613,494)	18,724,257
Available for sale investments			
- Debt securities	2,962,848	(2,962,848)	-
Total	74,300,600	(55,576,342)	18,724,257

31 December 2010	Original carrying amount £	Impairment allowance £	Revised carrying amount £
Loans and other receivables	76,420,878	(60,618,173)	15,802,705
Available for sale investments			
- Debt securities	2,962,848	(2,962,848)	-
Total	79,383,726	(63,581,021)	15,802,705

(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, 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 and loans 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 payables positions as soon as possible

Contractual maturity of financial liabilities on an undiscounted basis

The table below presents the cash flows payable by the company under financial liabilities by remaining contractual maturities at the balance sheet date The amounts disclosed in the table are the contractual undiscounted cash flows of all financial liabilities (i e nominal values), whereas the Company manages the inherent liquidity risk based on discounted expected cash inflows

19 Financial risks (continued)

(b) Liquidity risk (continued)

Contractual maturity of financial liabilities on an undiscounted basis (continued)

31 December 2011	One year or less	Over 1 year but not more than 2 years	Over 2 years but not more than 5 years	Total
	£	£	£	£
Trade and other payables	1,159,342	-	-	1,159,342
Derivative financial instruments	-	-	755,500	755,500
Total financial liabilities	1,159,342	-	755,500	1,914,842

31 December 2010	One year or less	Over 1 year but not more than 2 years	Over 2 years but not more than 5 years	Total
	£	£	£	£
Trade and other payables	1,742,684	132,000	-	1,874,684
Derivative financial instruments	-	-	697,637	697,637
Total financial liabilities	1,742,684	132,000	697,637	2,572,321

(c) Market risk

Refer to Barclays PLC annual report for more example disclosures and for sensitivity thresholds which does not form part of these financial statements

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

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

The sensitivity of the income statement is the effect of assumed changes in interest rates on the net interest income for one year, based on the floating rate non-trading financial liabilities held at 31 December 2011

Impact on net interest income and equity

The effect on interest of a 25 basis points change would be as follows

	+25 basis points 2011	+25 basis points 2010	-25 basis points 2011	-25 basis points 2010
Total £	149,933	84,559	(149,933)	(84,559)
As a percentage of net financial income	26%	37%	(26%)	(37%)
As a percentage of Equity	0%	0%	(0%)	(0%)

Foreign currency risk

The Company is not exposed to foreign currency risk from future foreign currency transactions, and recognised assets and liabilities, as all of its investments and associated returns are in UK sterling

19. Financial risks (continued)

(c) Market risk (continued)

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 held 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

20 Fair values of financial instruments

The fair value of a financial instrument is the amount for which an asset could be exchanged, or a liability settled, in an arms-length transaction between knowledgeable willing parties The Company considers fair value to equal carrying value for all its financial assets and liabilities

Valuation methodology

The table below shows the Company's financial assets and liabilities that are recognised and measured at fair value analysed by valuation technique The classification of instruments is based on the lowest level input that is significant to the fair value measurement in its entirety A description of the nature of the techniques used to calculate valuations based on observable inputs and valuations based on unobservable inputs is described below

	31 December 2011			
	Level 1	Level 2 - Valuations based on observable inputs	Level 3 - Valuations based on unobservable inputs	Total
	£	£	£	£
Financial assets				
Financial assets designated at fair value through profit and loss				
- Equity securities	-	-	16,120,087	16,120,087
- Available for sale investments	-	-	-	-
Total	-	-	16,120,087	16,120,087
Financial liabilities				
Derivative financial instruments	-	-	(755,500)	(755,500)
Total	-	-	(755,500)	(755,500)

Valuations based on observable inputs

Valuations based on observable inputs include

Level 1
– Financial instruments for which their valuations are determined by reference to unadjusted quoted prices for identical assets or liabilities in active markets where the quoted price is readily available and the price represents actual and regularly occurring market transactions on an arm's length basis,

20. Fair values of financial instruments (continued)

Valuations based on observable inputs (continued)

Level 2
Financial instruments valued using inputs other than quoted prices as described above for level 1 but which are observable for the asset or liability, either directly or indirectly, such as

- using recent arm's length market transactions or with reference to the current fair value of similar instruments,
- linear financial instruments such as swaps and forwards which are valued using market standard pricing techniques,
- options that are commonly traded in markets whereby all the inputs to the market-standard pricing models are deemed observable

Valuations based on unobservable inputs

Level 3
Valuations based on inputs that are not based on observable market data (unobservable data) include

Movements in Level 3 financial instruments

Analysis of movement in level 3 financial assets

For the period ended 31st December 2011

	Financial assets designated at fair value	Available for sale assets	Net derivative financial instrument liabilities	Total
	£	£	£	£
As at 1st January 2011	20,457,554	-	(697,637)	19,759,917
Purchases	1,300	-	-	1,300
Sales	(12,434,790)	-	-	(12,434,790)
Transfer to debt securities	(2,517,265)	-	-	(2,517,265)
Total gains and losses in the period				
Recognised in the Income Statement				
- net gains on financial instruments held at fair value	10,613,288	-	(57,863)	10,555,425
- impairment charge	-	-	-	-
Total gains and losses recognised in other comprehensive income	-	-	-	-
As at 31st December 2011	**16,120,087**	-	**(755,500)**	**15,364,587**

20. Fair values of financial instruments (continued)

Movements in Level 3 financial instruments (continued)

For the period ended 31st December 2010

	Financial assets designated at fair value	Available for sale assets	Net derivative financial instrument liabilities	Total
	£	£	£	£
As at 1st January 2010	13,926,427	631,684	(532,703)	14,025,408
Purchases	8,953	-	-	8,953
Sales	(2,166,965)	-	-	(2,166,965)
Total gains and losses in the period				
Recognised in the Income Statement				
- net gains on financial instruments held at fair value through profit and loss	8,689,139	-	(164,934)	8,524,205
- impairment charge	-	(308,707)	-	(308,707)
Total gains and losses recognised in other comprehensive income	-	(322,977)	-	(322,977)
As at 31st December 2010	**20,457,554**	**-**	**(697,637)**	**19,759,917**

Gains and losses recognised during the period on level 3 financial assets and liabilities held

As at 31st December 2011

	Financial assets designated at fair value	Available for sale assets	Total
	£	£	£
Total gains/(losses) held as at 31st December 2011			
Recognised in the income statement			
- net gains on financial instruments held at fair value through profit and loss	7,659,909	-	7,659,909
- impairment charge	-	-	-
Total losses recognised in other comprehensive income	-	-	-
Total	**7,659,909**	**-**	**7,659,909**

As at 31st December 2010

	Financial assets designated at fair value	Available for sale assets	Total
	£	£	£
Total gains/(losses) held as at 31st December 2010			
Recognised in the income statement			
- net gains on financial instruments held at fair value through profit and loss	6,359,494	-	6,359,494
- impairment charge	-	(308,707)	(308,707)
Total losses recognised in other comprehensive income	-	(322,977)	(322,977)
Total	**6,359,494**	**(631,684)**	**5,727,810**

21 Related party transactions

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

The definition of related parties includes parent company, ultimate parent company, subsidiary, associated and joint venture companies, as well as the Company's key management which includes its Directors Particulars of transactions, and the balances outstanding at the year end, are disclosed in the tables below

Transactions and balances

For the year ended 31 December 2011	Parent Company	Fellow Subsidiaries	Subsidiaries	Total
	£	£	£	£
Transactions:				
Direct Expenses				
Interest paid	(1,636)	-	-	(1,636)
Interest received	581,063	-	-	581,063
Balances outstanding at 31 December 2011:				
Assets	-	-	10,028,000	10,028,000
Cash balances with Barclays Bank PLC	59,973,318	-	-	59,973,318
Liabilities	-	(818,528)	-	(818,528)

For the year ended 31 December 2010	Parent Company	Fellow Subsidiaries	Subsidiaries	Total
	£	£	£	£
Transactions:				
Direct Expenses				
Interest paid	(2,087)	-	-	(2,087)
Interest received	233,066	-	-	233,066
Balances outstanding at 31 December 2010·				
Assets	-	348	16,813,253	16,813,601
Cash balances with Barclays Bank PLC	33,823,508	-	-	33,823,508
Liabilities	-	(703,980)	-	(703,980)

22. Capital management

The Company's objectives when managing capital are

- To safeguard the Company's ability to continue as a going concern
- To maintain an optimal capital structure in order to reduce the cost of capital
- 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

	2011	2010
	£	£
Called up share capital	82,665,000	82,665,000
Retained earnings	12,861,942	5,733,167
Total capital resources	**95,526,942**	**88,398,167**

22 Capital management (continued)

In order to maintain or adjust the capital structure, the company may issue new shares, sell assets to reduce debt or pay a dividend to shareholders The business is well funded through its parent company and any significant investments require approval by the investment committee

23. Parent undertaking and ultimate holding company

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