

2156066

Barclays Unquoted Investments Limited

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

REGISTERED NUMBER 2156066

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Barclays Unquoted Investments Limited (Registered Number 2156066)
Directors' Report and Financial Statements
For the year ended 31 December 2012

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Barclays Unquoted Investments Limited (Registered Number 2156066)
Directors' Report
For the year ended 31 December 2012

The Directors present their annual report together with the audited financial statements of Barclays Unquoted Investments Limited (the 'Company') for the year ended 31 December 2012.

Business 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 disposed of three investments during the year (2011: nil).

The results of the Company show a loss before tax of £(1,155,714), (2011: profit of £5,954,251) for the year. The Company has £92,919,962 net assets (2011: £95,526,942). Net cash outflow from operating activities for 2012 was £(155,181), (2011: £11,444,654 inflow).

Future outlook

Conditions in the UK (and wider global) economy continued to be challenging through 2012. This has had mixed results for the investment portfolio as a whole and is reflected in the year end valuations. The immediate economic outlook in 2013 remains uncertain. However, on balance, it appears that the environment may remain subdued but stable, enabling investee businesses to improve their profitability.

The Company will therefore focus on the active investment management of its portfolio to ensure that, wherever feasible, the businesses are robust enough to handle the on-going difficult trading conditions, including being able to take advantage of acquisition and organic growth opportunities. In addition, the medium term outlook is positive for 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. The Company did not invoke the investor protection rights on any of its investments during the year.

Key performance indicators

The key performance indicators for the business are primarily, the number of new investment made: Nil (2011: One), disposals of investments: Three (2011: nil), and the carrying value of existing investments: £20,598,509 (2011: £31,073,154). The decrease in value is mainly due to three successful exits and devaluation of the investment portfolio.

Profit and dividends

During the year the Company made a loss after tax of £(2,606,980), (2011: profit of £7,128,776). The Directors do not recommend the payment of a final dividend (2011: £nil).

Directors

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

A C Brebbia	
M Cooper	(appointed 27 January 2012)
S A Knuckey	
S Modi	(resigned 10 January 2012)
J A Morgan	

Statement of Directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Statement of Directors' responsibilities (continued)

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that 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 are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Financial Instruments

Barclays financial risk management objectives and policies, which are followed by the Company, including the policy for hedging each major type of forecasted transaction for which hedge accounting is used, and the exposure to market risk, credit risk and liquidity risk are set out in the note 'Financial Risks' on pages 17 to 20.

Directors third party indemnity provisions

Qualifying third party indemnity provisions were in force during the course of the financial year ended 31 December 2012 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

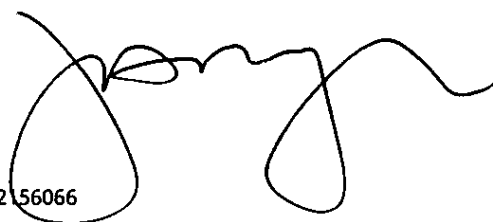
PricewaterhouseCoopers LLP will continue to hold office in accordance with Section 487 of the Companies Act 2006.

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
5 June 2013
Company number 2156066

A handwritten signature in black ink, appearing to be 'J A Morgan', written over a large, stylized circular mark.

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 2012 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. 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 pages 2 and 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 Directors' report and financial statements 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 2012 and of its loss 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.



Antony Eldridge (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
5 June 2013

Barclays Unquoted Investments Limited (Registered Number 2156066)
Income Statement
For the year ended 31 December 2012

	Notes	2012 £	2011 £
Continuing operations			
Revenue	4	(1,075,885)	11,529,870
Impairment charge	11	(3,924,522)	(7,078,309)
Gross (loss) / profit		(5,000,407)	4,451,561
Administrative expenses		(755,145)	(2,285,490)
Operating (loss) / profit		(5,755,552)	2,166,071
Interest income and similar income	5	4,602,319	3,789,816
Interest expense and similar expense	5	(2,481)	(1,636)
(Loss) / profit before tax	6	(1,155,714)	5,954,251
Tax	8	(1,451,266)	1,174,525
(Loss) / profit after tax		(2,606,980)	7,128,776

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 2012

	Notes	2012 £	2011 £
(Loss)/profit after tax		(2,606,980)	7,128,775
Other comprehensive income:			
Fair value gains on available for sale assets	13	4,782,284	-
Gains on available for sale assets reclassified to profit or loss	13	(4,782,284)	-
Other comprehensive income for the year net of tax		-	-
Total comprehensive income for the year		(2,606,980)	7,128,775

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 2012

	Notes	2012 £	2011 £
ASSETS			
Non-current assets			
Investments in subsidiaries	9	-	-
Loans and other receivables	10	12,836,060	14,953,067
Investments in financial assets designated at fair value	12	7,762,449	16,120,087
Total non-current assets		20,598,509	31,073,154
Current assets			
Financial assets			
- Loans and other receivables	10	5,342,644	4,213,350
Current tax assets	15	-	2,181,962
Cash and cash equivalents		68,139,887	59,973,318
Total current assets		73,482,531	66,368,630
Total assets		94,081,040	97,441,784
LIABILITIES			
Current liabilities			
Trade and other payables	16	(359,462)	(1,159,342)
Current tax liabilities	15	(796,815)	-
Financial liabilities			
- derivative financial instruments	14	(4,801)	(755,500)
Total current liabilities		(1,161,078)	(1,914,842)
Net current assets		72,321,453	64,453,788
Net assets		92,919,962	95,526,942
SHAREHOLDERS' EQUITY			
Called up share capital	17	82,665,000	82,665,000
Retained earnings		10,254,962	12,861,942
Total shareholders' equity		92,919,962	95,526,942

The accompanying notes form an integral part of the financial statements

The financial statements on pages 5 to 25 were approved by the Board of Directors and were signed on its behalf by

J A Morgan
Director
5 June 2013



Barclays Unquoted Investments Limited (Registered Number 2156066)
Statement of Changes in Equity
For the year ended 31 December 2012

	Share capital	Available for sale reserve	Retained earnings	Total equity
	£	£	£	£
Balance at 1 January 2012	82,665,000	-	12,861,942	95,526,942
Loss after tax	-	-	(2,606,980)	(2,606,980)
Other comprehensive income				
Available for sale financial assets	-	-	-	-
Total comprehensive income for the year	-	-	(2,606,980)	(2,606,980)
Balance at 31 December 2012	82,665,000	-	10,254,962	92,919,962

	Share capital	Available for sale reserve	Retained earnings	Total equity
	£	£	£	£
Balance at 1 January 2011	82,665,000	-	5,733,166	88,398,166
Profit after tax	-	-	7,128,776	7,128,776
Other comprehensive income				
Available for sale financial assets	-	-	-	-
Total comprehensive income for the year	-	-	7,128,776	7,128,776
Balance at 31 December 2011	82,665,000	-	12,861,942	95,526,942

The accompanying notes form an integral part of the financial statements

Barclays Unquoted Investments Limited (Registered Number 2156066)
Cash flow statement
For the year ended 31 December 2012

	Notes	2012 £	2011 £
Continuing Operations			
Reconciliation of profit before tax to net cash flows from operating activities.			
Profit before tax		(1,155,714)	5,954,251
Adjustment for non-cash items			
Allowance for Impairment	11	3,924,522	7,078,309
Changes in operating assets and liabilities			
Net (increase)/decrease in loans and other receivables		(456,747)	186,812
Net decrease in trade and other payables	16	(799,880)	(715,342)
Less net of interest received		(4,599,838)	(3,788,180)
Net (gains) / losses on financial instruments held at fair value through profit or loss		6,177,599	(10,555,425)
Gains on disposal of AFS investments	4	(4,782,284)	-
Gains on disposal of debt instruments	4	-	(627,951)
Other non-cash movements		12,133	8,400
Cash from operating activities		(1,680,209)	(2,459,126)
Interest paid		(2,481)	(1,636)
Tax received		1,527,509	13,905,416
Net cash (used in)/from operating activities		(155,181)	11,444,654
Cash flows from investing activities			
Interest received		2,293,507	2,050,309
Purchase of investments		(1,085,013)	(4,444,772)
Proceeds from sale of investments		7,113,256	17,099,619
Net cash from investing activities		8,321,750	14,705,156
Net increase in cash and cash equivalents		8,166,569	26,149,810
Cash and cash equivalents at beginning of the year		59,973,318	33,823,508
Cash and cash equivalents at end of year		68,139,887	59,973,318
Cash and cash equivalents comprise			
Cash in hand		68,139,887	59,973,318
Cash and cash equivalents at end of year		68,139,887	59,973,318

The accompanying notes form an integral part of the financial statements

1 Reporting entity

These financial statements are prepared for Barclays Unquoted Investments Limited (the 'Company'), the principal activity of which is private equity 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 the United Kingdom. The address of the registered office of the Company is 1 Churchill Place, London E14 5HP.

2 Compliance with International Financial Reporting Standards

The financial statements have been prepared in accordance with 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 loans and receivables and on interest bearing 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 year or prior year taxable profits.

Deferred income tax is provided in full, using the liability method, on temporary differences arising from the differences between the tax bases of assets and liabilities and their carrying amounts in the Company's financial statements. Deferred income tax is determined using tax rates and legislation enacted or substantively enacted by the balance sheet date and that are 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 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 with the same tax authority.

3 Summary of significant accounting policies (continued)

(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

Assets (and liabilities in some cases) are so designated when they are held for trading or at management's option (the fair value option) in certain circumstances. Once designated, the assets are held at fair value and gains and losses are recognised in the income statement.

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

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. They are included in current assets, except for maturities greater than twelve months after the balance sheet date. These are classified as non-current assets. Loans and receivables are stated at amortised cost using the effective interest method (see above). They are initially recognised at fair value including direct and incremental transaction costs. They are subsequently valued at amortised cost, using the effective interest method. They are derecognised when the rights to receive cash flows have expired or the Company has transferred substantially all the risks and rewards of ownership.

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 cumulative gain or loss is transferred to the income statement. The assets are derecognised when the rights to receive cash flows have expired or 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.

Regular way purchases and sales of available for sale financial instruments are recognised on trade date, being the date on which the Company commits to purchase or sell the asset.

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 uses 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.

3 Summary of significant accounting policies (continued)

(d) Financial assets and liabilities (continued)

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

Derivatives are measured at fair value on initial recognition and subsequently the resulting gains and losses are recognized in the income statement. The derivative on the balance sheet reflects the fair value of options that the BUIL Co-investment scheme holds over the Company's investments in financial assets designated at fair value at the balance sheet date. The derivative asset has an equal and opposite liability on the balance sheet so that no gains or losses are recognized in the income statement. The derivative is valued based on level 3 unobservable inputs as outlined in Note 19.

(f) Investment in subsidiaries

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

(g) Cash and cash equivalents

For the purposes of the cash flow statement, cash comprises cash on hand, demand deposits, and cash equivalents. Cash equivalents comprise highly liquid investments that are convertible into cash with an insignificant risk of changes in value with original maturities of less than three months.

(h) Future Accounting Developments

As at 31 December 2012 the IASB had issued the following accounting standards. These are effective on 1 January 2013, unless otherwise indicated.

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 instrument. IFRS 9 requires financial assets to be classified into two measurement categories: those measured 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 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.

IFRS 12 Disclosures of Interests in Other Entities. This specifies the required disclosures in respect of interests in, and risks arising from, subsidiaries, joint ventures, associates and structured entities whether consolidated or not. As a disclosure only standard it will have no financial impact.

A number of other amendments and interpretations to IFRSs have been issued that first apply from 1st January 2010 or later periods. These have not resulted in any material changes to the Company's accounting policies.

Barclays Unquoted Investments Limited (Registered Number 2156066)
Notes to the financial statements
For the year ended 31 December 2012

4 Revenue

An analysis of Revenue is as follows,

	2012 £	2011 £
Net (loss)/gain on financial instruments held at fair value through profit or loss	(6,177,599)	10,555,425
Gains on sale of available for sale investments	4,782,284	-
Realised gains on disposal of loan notes acquired at a discount	-	627,951
Other income from financial assets	319,430	346,494
Total (loss)/income from financial assets	(1,075,885)	11,529,870

5 Interest income and interest expense

Finance income (net) comprise the following -

	2012 £	2011 £
Interest income		
Loans and other receivables	3,677,225	3,208,753
Bank interest received (note 20)	925,094	581,063
Total interest income	4,602,319	3,789,816
Interest expense		
Bank interest paid (note 20)	(2,481)	(1,636)
Total interest expense	(2,481)	(1,636)
Net finance income	4,599,838	3,788,180

6 (Loss)/profit before tax

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

	2012 £	2011 £
Staff costs (note 7)	914,383	1,816,220
Auditors' Remuneration		
- Audit of the Company's annual financial statements	35,750	34,425
Impairment		
- Loans and other receivables	3,924,522	7,078,309
Gains/(Losses) on financial instruments held at fair value through profit or loss (note 4)	(6,177,599)	10,555,425
Gain from disposal of available for sale investment (note 4)	4,782,284	-

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

	2012 £	2011 £
Wages and salaries	809,281	1,624,153
Social security costs	105,102	192,067
Total	914,383	1,816,220

The average number of persons employed during the year, excluding agency staff, was 23 (2011 23)

7 Employees and key management, including directors (continued)

(ii) Directors' remuneration:

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

	2012 £	2011 £
Aggregate remuneration in respect of qualifying services	70,450	27,878
Aggregate amounts receivable under long term incentive schemes	432	1,321
Aggregate contributions due to Barclays Group pension schemes	2,880	-
Sums paid to third parties for Directors' services	73,762	29,199

Two Directors are accruing retirement benefits under a defined benefit scheme and a defined contribution scheme (2011 Nil)

No Directors exercised options under the Barclays PLC Sharesave scheme and Long Term Incentive Schemes during 2012 (2011 Two)

8 Tax

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

	2012 £	2011 £
Current tax		
Current year	(1,451,266)	1,144,948
Adjustment for prior years	-	29,576
Total (charge)/credit	(1,451,266)	1,174,524

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

The effective rate of tax is -125.57% (2011 -19.73%) 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 follows

	2012 £	2011 £
Profit before tax	(1,155,714)	5,954,251
Tax charge at standard UK corporation tax rate of 24.5% (2011 26.5%)	283,150	(1,577,877)
Adjustment for prior years	-	29,576
Non-taxable (losses)/gains and income	(1,841,099)	2,780,737
Gains exempt under SSE	106,683	(57,912)
Overall tax (charge)/credit	(1,451,266)	1,174,524
Effective tax rate	-125.57%	-19.73%

9 Investments in subsidiaries

	2012		2011	
	At cost £	Cost less impairment £	At cost £	Cost less impairment £
As at 1st January	89,910	-	140,842	-
Transfer of assets from /(to) financial assets designated at fair value	42,195	-	(50,932)	-
Sales	(40,890)	-	-	-
As at 31st December	91,215	-	89,910	-

The underlying investments of the entity become subsidiaries when in breach of certain investment specific protector rights. Any transfers in and out reflect individual underlying investments moving in and out of breach.

10 Loans and other receivables

An analysis of trade and other receivables is as follows

	2012 Current £	Non-current £	2011 Current £	Non-current £
Loans and other receivables	8,285,623	37,383,336	7,815,848	42,681,741
Less Allowance for impairment	(2,942,979)	(24,547,276)	(3,602,498)	(27,728,674)
Loans and other receivables net	5,342,644	12,836,060	4,213,350	14,953,067
Total	5,342,644	12,836,060	4,213,350	14,953,067

Certain presentational changes have been made to the accounts prior year 2011 figures which have no impact on the results of the Company

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 18

11 Allowance for impairment

The movement in the allowance for impairment for each class of financial asset is as follows

2012	At 1 January £	Amounts written off £	Recoveries £	Amounts charged against profit £	At 31 December £
Loans and other receivables	(31,331,172)	7,765,439	-	(3,924,522)	(27,490,255)
Available for sale	(2,962,848)	2,962,848	-	-	-
Total	(34,294,020)	10,728,288	-	(3,924,522)	(27,490,255)

2011	At 1 January £	Amounts written off £	Recoveries £	Amounts charged against profit £	At 31 December £
Loans and other receivables	(60,618,173)	36,365,310	367,246	(7,445,555)	(31,331,172)
Available for sale	(2,962,848)	-	-	-	(2,962,848)
Total	(63,581,021)	36,365,310	367,246	(7,445,555)	(34,294,020)

12 Financial assets designated at fair value through profit and loss

	2012 £	2011 £
Equity securities	7,762,449	16,120,087
Total	7,762,449	16,120,087

The above assets have been designated at fair value using the fair value option. The above contains a derivative asset that is offset by a derivative liability included in Note 14.

An analysis of the fair values of these securities and the valuation methodology applied are described in Note 19.

Information relating to financial risks is included in Note 18.

13 Available for sale financial investments

	2012 £	2011 £
At 1 January	-	-
Disposals (through sale and redemption)	4,782,284	-
Net gains transferred to net profit on disposal	(4,782,284)	-
At 31 December	-	-

14 Derivative financial liabilities

Fair values of derivative financial liabilities held by the Company are as follows

	2012	2011
	£	£
Derivatives held under equity option	(4,801)	(755,500)
Derivative liabilities	(4,801)	(755,500)

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

An analysis of the fair value of these securities and the valuation methodology applied is included in note 19

15 Current tax (liabilities)/ assets

Current tax (liabilities)/ assets were as follows

	2012	2011
	£	£
UK corporation tax (payable)/ receivable	(796,815)	2,181,962

16 Trade and other payables

An analysis of trade and other payables is as follows

	2012	2011
	Current	Current
	£	£
Trade payables	16,581	491,264
Accrued expenses	96,646	462,728
Deferred income	160,670	142,322
Amounts due to related parties (note 20)	85,565	63,028
Total	359,462	1,159,342

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 2012	82,665,000	82,665,000	82,665,000
At 31 December 2012	82,665,000	82,665,000	82,665,000

	Number of shares	Ordinary shares	Total
		£	£
At 1 January 2011	82,665,000	82,665,000	82,665,000
At 31 December 2011	82,665,000	82,665,000	82,665,000

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

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, should any of the Company's customers 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.

Significant concentration of credit risk is detailed below.

Maximum exposure to credit risk

The Company's maximum exposure to credit risk is the carrying value of the assets. The analysis of credit risk only includes financial assets subject to credit risk. It excludes other financial assets including equity securities held in the trading portfolio and non-financial assets.

The following table shows the maximum exposure to credit risk.

	Total Exposure £
As at 31 December 2012	
Cash and cash equivalents	68,139,887
Loans and other receivables	18,178,704
Available for sale assets	-
Total maximum exposure at 31 December	86,318,591

	Total Exposure £
As at 31 December 2011	
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

18 Financial risks (continued)

(a) Credit Risk (continued)

Cash and cash equivalents are held with Barclays Bank PLC which has a long term credit rating of A+ (Negative). The Company does not hold any collateral as security.

Financial assets subject to credit risk

For available for sale debt investments, consideration of credit risk is based on the performance of the underlying investee companies including their profitability and net asset values. The directors consider the credit quality for available for sale debt investments that are neither past due nor impaired and loans and other receivables to be satisfactory.

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

		Cash and cash equivalents	Loans and other receivables	Available for sale	Total
	Note	£	£	£	£
2012					
As at 31 December					
Neither past due nor individually impaired	(i)	68,139,887	661,718	-	68,801,605
Individually impaired	(ii)	-	45,007,241	-	45,007,241
Total		68,139,887	45,668,959	-	113,808,846
Impairment allowance		-	(27,490,255)	-	(27,490,255)
Total carrying amount		68,139,887	18,178,704	-	86,318,591

		Cash and cash equivalents	Loans and other receivables	Available for sale	Total
	Note	£	£	£	£
2011					
As at 31 December					
Neither past due nor individually impaired	(i)	59,973,318	442,160	-	60,415,478
Individually impaired	(ii)	-	50,055,429	2,962,848	53,018,277
Total		59,973,318	50,497,589	2,962,848	113,433,755
Impairment allowance		-	(31,331,172)	(2,962,848)	(34,294,020)
Total carrying amount		59,973,318	19,166,417	-	79,139,735

i) Financial assets subject to credit risk neither past due nor individually 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 that were neither past due nor impaired, based on credit rating, was as follows:

	Strong	Satisfactory	Higher risk	Total
	£	£	£	£
31 December 2012				
Cash and cash equivalents	68,139,887	-	-	68,139,887
Loans and other receivables	-	661,718	-	661,718
Total	68,139,887	661,718	-	68,801,605

	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	59,973,318	442,160	-	60,415,478

18 Financial risks (continued)

i) Individually impaired financial assets

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

	Original carrying amount £	Impairment allowance £	Revised carrying amount £
31 December 2012			
Loans and other receivables	45,007,241	(27,490,255)	17,516,986
Available for sale investments - Debt securities	-	-	-
Total	45,007,241	(27,490,255)	17,516,986

	Original carrying amount £	Impairment allowance £	Revised carrying amount £
31 December 2011			
Loans and other receivables	50,055,429	(31,331,172)	18,724,257
Available for sale investments - Debt securities	2,962,848	(2,962,848)	-
Total	53,018,277	(34,294,020)	18,724,257

(b) Liquidity risk

This is the risk that the Company's cash and committed facilities may be insufficient to meet its debts as they fall due. The Company has the financial support of the parent undertaking Barclays Bank PLC, it also maintains banking facilities with Barclays Bank PLC. These facilities are designed to ensure the Company has sufficient available funds for operations.

The monitoring and reporting of liquidity risk take the form of cash flow measurements and projections for the next day, week and month as these are key periods for liquidity management. Sources of liquidity are regularly reviewed.

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.

	One year or less £	Over 1 year but not more than 2 years £	Over 2 years but not more than 5 years £	Over 5 years but not more than 10 years £	Over 10 years £	Total £
31 December 2012						
Trade and other payables	359,462	-	-	-	-	359,462
Derivative financial instruments	-	4,801	-	-	-	4,801
Total financial liabilities	359,462	4,801	-	-	-	364,263

	One year or less £	Over 1 year but not more than 2 years £	Over 2 years but not more than 5 years £	Over 5 years but not more than 10 years £	Over 10 years £	Total £
31 December 2011						
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

18 Financial risks (continued)

(c) Market risk

Refer to Barclays PLC annual report for more example disclosures and for sensitivity thresholds which do 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 2012

Impact on net interest income and equity

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

	+25 basis points 2012	+25 basis points 2011	-25 basis points 2012	-25 basis points 2011
Total £	189,598	149,933	(189,598)	(149,933)
As a percentage of net interest income	21%	26%	-21%	-26%
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 assets are denominated in UK sterling

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 monitored via the half yearly Valuation Committee meetings and fair values are updated as a result of this at the reporting date.

Investments are predominantly in unquoted private companies therefore, successful price risk management is achieved by ensuring the Company pays an appropriate price at purchase and also that each investment will achieve value growth prior to disposal. It is recognised that not all investment will be successful however, the Company does seek to be successful in generating returns across its portfolio of investments.

19 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 2012				
	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	-	-	7,762,449	7,762,449
- Available for sale investments	-	-	-	-
Total	-	-	7,762,449	7,762,449
Financial liabilities				
Derivative financial instruments	-	-	(4,801)	(4,801)
Total	-	-	(4,801)	(4,801)

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.

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.

19 Fair values of financial instruments (continued)

Valuations based on unobservable inputs

Level 3

Valuations based on inputs that are not based on observable market data (unobservable data) include the use of valuation techniques which are in accordance with the International Private Equity and Venture Capital Valuation Guidelines

Movements in Level 3 financial instruments

Analysis of movement in level 3 financial assets and liabilities as follows

For the year ended 31st December 2012

	Financial assets designated at fair value	Available for sale assets	Derivative financial liabilities	Total
	£	£	£	£
As at 1st January 2012	16,120,087	-	(755,500)	15,364,587
Purchases	43,500	-	-	43,500
Sales	(1,472,841)	(4,782,284)	-	(6,255,125)
Settlements	(653,666)	-	653,666	-
Transfer to debt securities	-	-	-	-
Total gains and losses in the year				
Recognised in the Income Statement				
- net gains/(loss) on financial instruments held at fair value	(6,274,631)	-	97,033	(6,177,598)
- net gains on available for sale assets	-	4,782,284	-	4,782,284
As at 31st December 2012	7,762,449	-	(4,801)	7,757,647

For the year ended 31st December 2011

	Financial assets designated at fair value	Available for sale assets	Derivative financial 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)
Settlements	-	-	-	-
Transfer to debt securities	(2,517,265)	-	-	(2,517,265)
Total gains and losses in the year				
Recognised in the Income Statement				
- net gains/(loss) on financial instruments held at fair value	10,613,288	-	(57,863)	10,555,425
- net gains on available for sale assets	-	-	-	-
As at 31st December 2011	16,120,087	-	(755,500)	15,364,587

19 Fair values of financial instruments (continued)

Gains and losses recognised during the year on level 3 financial assets and liabilities held as follows

For the year ended 31st December 2012

	Financial assets designated at fair value	Available for sale assets	Derivative financial liabilities	Total
	£	£	£	£
As at 31st December 2012				
Recognised in the income statement				
- net gains/(loss) on financial instruments held at fair value	(6,274,631)	-	97,033	(6,177,598)
- net gains on available for sale assets	-	4,782,284	-	4,782,284
Total	(6,274,631)	4,782,284	97,033	(1,395,314)

For the year ended 31st December 2011

	Financial assets designated at fair value	Available for sale assets	Derivative financial liabilities	Total
	£	£	£	£
As at 31st December 2011				
Recognised in the income statement				
- net gains on financial instruments held at fair value through profit and loss	10,613,288	-	(57,863)	10,555,425
- net gains on available for sale assets	-	-	-	-
Total	10,613,288	-	(57,863)	10,555,425

The gain on financial liabilities was offset by a loss included in the net gains/(loss) on financial instruments held at fair value

20 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

For the year ended 31 December 2012	Parent Company	Subsidiaries	Total
	£	£	£
Transactions			
Revenue	-	292,962	292,962
Direct expenses			
Interest paid	(2,481)	-	(2,481)
Interest received	925,094	-	925,094
Balances outstanding at 31 December 2012			
Assets	-	8,807,746	8,807,746
Cash balances with Barclays Bank PLC	68,139,887	-	68,139,887
Liabilities	(85,565)	(4,801)	(90,366)
For the year ended 31 December 2011			
	£	£	£
Transactions			
Revenue	-	-	-
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)

21 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

	2012 £	2011 £
Called up share capital	82,665,000	82,665,000
Retained earnings	10,254,962	12,861,942
Total capital resources	92,919,962	95,526,942

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The business is well funded through its parent company and any significant investments require approval by the Investment Committee

22 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.