

BARCLAYS UNQUOTED INVESTMENTS LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1998

(REGISTERED NUMBER 2156066)



BARCLAYS UNQUOTED INVESTMENTS LIMITED

REPORT OF THE DIRECTORS

The directors submit their report and financial statements for the year ended 31 December 1998.

BUSINESS REVIEW

The Company's principal activities during the year continued to be investing to support the development of aspiring businesses.

The results for the year are set out in the profit and loss account on page 4.

RESULTS AND DIVIDENDS

The loss on ordinary activities after taxation for the year amounted to £640,307 (1997 – loss of £22,502). The directors recommend that no dividend for the year be paid.

YEAR 2000

All the costs related to year 2000 compliance have been recharged to the Group. The financial statements of Barclays Bank PLC for the year ended 31 December 1998 include a statement on the Group's policies towards the year 2000 issue.

CREDITOR PAYMENT POLICY

The Company's policy is to follow the CBI Prompt Payers' Code of Good Practice which states that a company should have a clear, consistent policy adhered to by the finance and purchasing departments, to settle bills in accordance with payment terms agreed with suppliers, dealing quickly with complaints and advising suppliers of disputes.

DIRECTORS AND THEIR INTERESTS

The names of the present Directors of the Company and those who held office during the year together with their dates of appointment and resignation where appropriate are:

D Weymouth (resigned 8 April 1998)

J M Mills

M A Ransom

I C Whyte (resigned 25 November 1998)

R.D East (appointed 8 April 1998)

Barcosec Limited (appointed 15 September 1998)

Barometers Limited (appointed 15 September 1998)

The Directors of the Company are also Directors of Barclays Directors Limited and their interests are disclosed in the accounts of that Company.

BARCLAYS UNQUOTED INVESTMENTS LIMITED

REPORT OF THE DIRECTORS (continued)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The following statement, which should be read in conjunction with the Auditors' report set out on page 3, is made with a view to distinguishing for shareholders the respective responsibilities of the Directors and of the auditors in relation to the financial statements.

The directors are required by the Companies Act 1985 to prepare financial statements for each financial year which gave 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 are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors consider that in preparing the financial statements on pages 4 to 11 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.

The directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure the financial statements comply with the Companies Act 1985.

The directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent fraud or other irregularities.

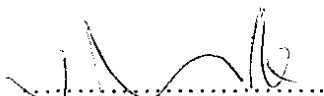
AUDITORS

On 21 December 1990 an elective resolution was passed by the shareholders of the Company pursuant to Section 386 of the Companies Act 1985 to dispense with the obligation to appoint Auditors annually.

Price Waterhouse, the Company's Auditor, merged with Coopers & Lybrand on 1 July 1998 to form a new firm, PricewaterhouseCoopers. Price Waterhouse resigned as Auditor with effect from 15 September 1998 and PricewaterhouseCoopers was appointed in its place. PricewaterhouseCoopers has signified its willingness to continue in office.

By order of the Board

For and on behalf of Barcosec Limited


Secretary

Date: 14.10.1999

BARCLAYS UNQUOTED INVESTMENTS LIMITED

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

We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the Annual Report, including as described on page 2 the financial statements. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

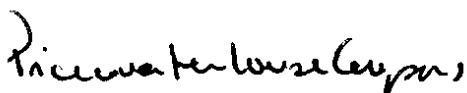
BASIS OF AUDIT OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 1998 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
London

Date: 14 October 1999

BARCLAYS UNQUOTED INVESTMENTS LIMITED**PROFIT AND LOSS ACCOUNT**
FOR THE YEAR ENDED 31ST DECEMBER 1998

	Notes	<u>1998</u> £	<u>1997</u> £
INTEREST AND DIVIDENDS FROM INVESTMENTS	2	972,833	105,727
ADMINISTRATIVE EXPENSES	3	(699)	(72)
GROSS PROFIT		<u>972,134</u>	<u>105,655</u>
INTEREST RECEIVABLE	5	42,565	23,583
INTEREST PAYABLE	5	-	(19,284)
PROVISION FOR INTEREST NOT RECEIVED		(43,059)	-
AMOUNTS WRITTEN OFF INVESTMENTS		(1,350,000)	(110,000)
LOSS ON ORDINARY ACTIVITIES FOR THE FINANCIAL YEAR BEFORE TAXATION	5	<u>(378,360)</u>	<u>(46)</u>
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	6	(261,947)	(22,456)
LOSS ON ORDINARY ACTIVITIES FOR THE FINANCIAL YEAR AFTER TAXATION TRANSFERRED FROM RESERVES		<u>(640,307)</u>	<u>(22,502)</u>

The loss for the financial year relates exclusively to continuing operations.

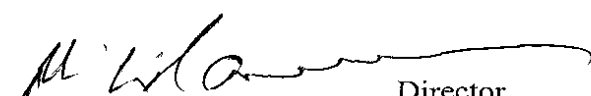
STATEMENT OF RESERVES
FOR THE YEAR ENDED 31ST DECEMBER 1998

	<u>1998</u> £	<u>1997</u> £
RETAINED RESERVES AT 1 JANUARY	(22,398)	104
RETAINED LOSS FOR THE YEAR	(640,307)	(22,502)
RETAINED RESERVES AT 31 DECEMBER	<u>(662,705)</u>	<u>(22,398)</u>

BARCLAYS UNQUOTED INVESTMENTS LIMITED**BALANCE SHEET AT 31 DECEMBER 1998**

	Notes	1998 £	1997 £
FIXED ASSETS			
Investments	7	16,362,518	2,000,000
		<hr/> 16,362,518	<hr/> 2,000,000
CURRENT ASSETS			
DEBTORS: amounts falling due within one year	8	465,774	1,331,616
		<hr/> 465,774	<hr/> 1,331,616
CREDITORS: amounts falling due within one year	9	(75,997)	(3,914)
		<hr/>	<hr/>
NET CURRENT ASSETS		389,777	1,327,702
		<hr/>	<hr/>
NET CURRENT ASSETS BEING ALSO TOTAL ASSETS LESS CURRENT LIABILITIES		16,752,295	3,327,702
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	10	17,415,000	3,350,100
Reserves		(662,705)	(22,398)
		<hr/>	<hr/>
Equity shareholders' funds	11	16,752,295	3,327,702
		<hr/>	<hr/>

The financial statements on Pages 4 to 11 were approved by the Board of Directors on 14th October 1999.


..... Director
M A Ransom

BARCLAYS UNQUOTED INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

(a) Basis of Accounting

The Company prepares its financial statements under the historical cost convention and in accordance with applicable Accounting Standards.

(b) Income

The profit and loss account is credited with income from investments, together with any related tax credit, on the accruals basis.

(c) Cash Flow Statement

The Company, which is a wholly owned subsidiary, has elected to utilise the exemption provided in Financial Reporting Standard 1 and does not produce a cash flow statement.

(d) Related Party Transactions

The Company, which is a wholly owned subsidiary and is consolidated within the financial statements of Barclays PLC (see note 13), has elected to utilise the exemptions provided in Financial Reporting Standard 8 and does not disclose transactions with related parties which are members of the Barclays Group.

(e) Fixed Asset Investments

Fixed asset investments are held at cost less provisions for permanent diminution in value

2. INTEREST AND DIVIDENDS FROM INVESTMENTS

This represents income from investments, calculated in accordance with note 1(b). The sole market was the United Kingdom.

3. ADMINISTRATIVE EXPENSES

The Company has no full time employees. Administrative expenses of the Company, with the exception of bank charges, including audit fees, are borne by Barclays PLC, this Company's ultimate parent undertaking, and relevant employee remuneration is disclosed in that company's financial statements.

4. DIRECTORS' EMOLUMENTS

None of the Directors received any emoluments in respect of their services to the Company during the year. The Company made no loans to its Directors during the year.

BARCLAYS UNQUOTED INVESTMENTS LIMITED

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities before taxation is arrived at after taking into account:

	1998 £	1997 £
Interest receivable from group undertakings	24,605	22,912
Interest payable to group undertakings	-	(19,284)

6. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

The tax charge in the profit and loss account, based on a Corporation Tax rate of 31% which is the rate at which group relief can be utilised represents:-

	1998 £	1997 £
Current year:		
Group relief payable	(75,997)	(1,310)
Tax credits on investment income at 20%	(185,950)	(21,145)
	<u>(261,947)</u>	<u>(22,456)</u>

BARCLAYS UNQUOTED INVESTMENTS LIMITED

7. FIXED ASSET INVESTMENTS	1998	1997
	£	£
Cost		
At 1 January	2,110,000	-
Additions	15,712,518	2,110,000
At 31 December	17,822,518	2,110,000
Amounts written off		
At 1 January	(110,000)	-
Written off in year	(1,350,000)	(110,000)
At 31 December	(1,460,000)	(110,000)
Net book value at 31 December	16,362,518	2,000,000

Investments at net book value include the following significant investments, all of which are registered in the UK:

	Proportion of nominal value of class of shares held
Recognition Express (Holdings) Limited	
Ordinary "A" shares	100%
Preference shares	100%
Warth International Holdings Limited	
Ordinary "A" shares	100%
Preference shares	100%
Convertible redeemable preference shares	100%
Etcetera Reject Shops Limited	
Ordinary "A" shares	100%
Old redeemable preference shares	100%

BARCLAYS UNQUOTED INVESTMENTS LIMITED

Crane Care Limited

Ordinary "A" shares	100%
Preference shares	100%

C S Lampertz Limited

Ordinary "A" shares	100%
Preference shares	100%

Production Equipment Limited

Ordinary "A" shares	100%
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Westek Technology Limited

Ordinary "A" shares	100%
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Viscose Closures Limited

Ordinary "A" shares	100%
Preference shares	100%

FTL Seals Technology Ltd

Ordinary "A" shares	100%
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Qube Limited

Ordinary "A" shares	100%
Convertible redeemable preference shares	100%

Bridgeway Products Limited

Ordinary "A" shares	100%
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BAS Micro Imaging Limited

Ordinary "A" shares	100%
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Econex Limited

Ordinary "A" shares	100%
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BARCLAYS UNQUOTED INVESTMENTS LIMITED

Simons Reeve Limited

Ordinary "A" shares 100%

Permali RP Ltd

Ordinary "A" shares 100%

Preference shares 100%

ISG Thermal Systems Ltd

Ordinary "A" shares 100%

TM Holdings Limited

Ordinary "A" shares 100%

8.	DEBTORS	1998 £	1997 £
	Amount owed by group undertakings	317,728	764,281
	Dividends receivable	42,240	66,664
	Interest Receivable	140,254	-
	Provision for Bad & doubtful Debts	(34,448)	-
	Other debtors	-	500,671
		<u>465,774</u>	<u>1,331,616</u>
9.	CREDITORS	1998 £	1997 £
	Group relief payable	(75,997)	(1,310)
	Other creditors	-	(2,604)
		<u>(75,997)</u>	<u>(3,914)</u>

BARCLAYS UNQUOTED INVESTMENTS LIMITED

10. SHARE CAPITAL	1998	1997
	£	£
Authorised: 20,000,000 Ordinary Shares of £1 each	20,000,000	10,000,000
Allotted and Fully Paid: 17,415,000 Ordinary Shares of £1 each	17,415,000	3,350,100

During the year 14,064,900 £1 Ordinary shares were allotted and fully paid and the authorised share capital was increased to 20,000,000 £1 Ordinary shares.

11. RECONCILIATION OF SHAREHOLDERS' FUNDS	1998	1997
	£	£
Opening shareholders' funds	3,327,702	204
Movement in share capital	14,064,900	3,350,000
Loss for the financial year	(640,307)	(22,502)
Net addition to shareholders' funds	13,424,593	3,327,498
Closing shareholders' funds	16,752,295	3,327,702

12. ULTIMATE HOLDING COMPANY

The parent undertaking of the smallest group that presents group accounts is Barclays Bank PLC. The ultimate holding company and the parent company of the largest group that presents group accounts is Barclays PLC. Both companies are incorporated in Great Britain and registered in England and Wales. Barclays Bank PLC's and Barclays PLC's statutory accounts are available from the Secretary, 54 Lombard Street, London, EC3P 3AH.