

BARCLAYS UNQUOTED INVESTMENTS LIMITED

(FORMERLY BARINT Y LIMITED)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 1997

REGISTERED IN ENGLAND NO. 2156066



BARCLAYS UNQUOTED INVESTMENTS LIMITED

REPORT OF THE DIRECTORS

The directors submit their report and financial statements for the year ended 31 December 1997.

ACTIVITIES

On 1 April 1997 the Company changed its name to Barclays Unquoted Investments Limited.

The Company commenced trading on 31 March 1997. During the year the Company made equity investments to support the development of aspiring businesses which principally bank with Barclays (or are about to do so).

RESULTS AND DIVIDENDS

The loss on ordinary activities after taxation for the year amounted to £22,502 (1996 - £Nil). The directors recommend that no dividend for the year be paid.

CREDITOR PAYMENT POLICY

The Company endeavours to pay all creditors in accordance with the payment terms stipulated by such suppliers.

DIRECTORS

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:

J D Callender	(resigned 1 April 1997)
K McCormick	(resigned 1 April 1997)
Barclays Holding Limited	(resigned 1 April 1997)
Barclays Group Limited	(resigned 1 April 1997)
D Weymouth	(appointed 1 April 1997, resigned 8 April 1998)
J M Mills	(appointed 1 April 1997)
M A Ransom	(appointed 1 April 1997)
I C Whyte	(appointed 1 April 1997)

Robert East was appointed as a director on 8 April 1998.

DIRECTORS' INTERESTS IN SHARES

(As defined by the Companies Act 1985)

The Directors of the Company are also Directors of Barclays Holdings 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 10 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.

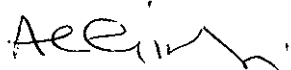
The directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure the financial statements comply with the Companies Act 1985.

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 re-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



AC Girling
Assistant Secretary
Group Secretary's Office
54 Lombard Street
London EC3P 3AH

Date: 23 October 1998

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 10 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 the Company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

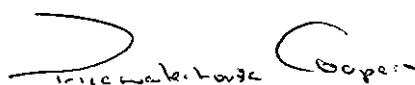
Basis of opinion

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 expectations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance and 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 as at 31 December 1997 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Registered Auditors
London
Date: 23 October 1998

BARCLAYS UNQUOTED INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT **FOR THE YEAR ENDED 31ST DECEMBER 1997**

	Notes	<u>1997</u> £	<u>1996</u> £
TURNOVER	2	105,727	-
ADMINISTRATIVE EXPENSES	3	(72)	
GROSS PROFIT		<u>105,655</u>	<u>-</u>
INTEREST RECEIVABLE	5	23,583	-
INTEREST PAYABLE	5	(19,284)	-
PROFIT ON ORDINARY ACTIVITIES FOR THE FINANCIAL YEAR BEFORE TAXATION	5	<u>109,954</u>	<u>-</u>
EXCEPTIONAL ITEMS	6	(110,000)	
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	7	(22,456)	-
PROFIT ON ORDINARY ACTIVITIES FOR THE FINANCIAL YEAR AFTER TAXATION TRANSFERRED TO RESERVES		<u>(22,502)</u>	<u>-</u>

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

STATEMENT OF RESERVES **FOR THE YEAR ENDED 31ST DECEMBER 1997**

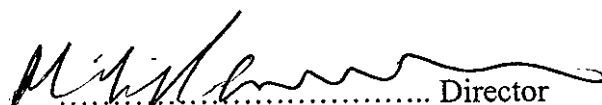
	<u>1997</u> £	<u>1996</u> £
RETAINED RESERVES AT 1 JANUARY	104	104
RETAINED PROFITS FOR THE YEAR	(22,502)	-
RETAINED RESERVES AT 31 DECEMBER	<u>(22,398)</u>	<u>104</u>

The retained profits are equal to the recognised gains for the year.

BARCLAYS UNQUOTED INVESTMENTS LIMITED**BALANCE SHEET AT 31 DECEMBER 1997**

	Notes	1997 £	1996 £
FIXED ASSETS			
Investments	8	2,000,000	-
		<hr/> 2,000,000	<hr/> -
CURRENT ASSETS			
DEBTORS: amounts falling due within one year	9	1,331,616	204
		<hr/> 1,331,616	<hr/> 204
CREDITORS: amounts falling due within one year	10	(3,914)	-
		<hr/> (3,914)	<hr/> -
NET CURRENT ASSETS		<hr/> 1,327,702	<hr/> 204
NET CURRENT ASSETS BEING ALSO TOTAL ASSETS LESS CURRENT LIABILITIES			
		<hr/> 3,327,702	<hr/> 204
CAPITAL AND RESERVES			
Called up share capital	11	3,350,100	100
Reserves		(22,398)	104
		<hr/> (22,398)	<hr/> 104
Equity shareholders' funds	12	<hr/> 3,327,702	<hr/> 204

The financial statements on Pages 4 to 10 were approved by the Board of Directors on 23 October 1998.

 Director

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. TURNOVER

Turnover 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:

	1997 £	1996 £
Interest receivable from group undertakings	22,912	-
Interest payable to group undertakings	(19,284)	-

6. EXCEPTIONAL ITEM

The exceptional item relates to a write down of an investment due to a permanent diminution of value.

7. 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:-

	1997 £	1996 £
Current year:		
Group relief payable	(1,310)	-
Tax credits on franked investment income at 20%	(21,145)	-
	<u>(22,456)</u>	<u>-</u>

BARCLAYS UNQUOTED INVESTMENTS LIMITED

8. FIXED ASSET INVESTMENTS

Cost

At 1 January 1997	-
Additions	2,110,000
At 31 December 1997	<u>2,110,000</u>
Amounts written off	
At 1 January and 31 December 1997	<u>(110,000)</u>
Net book value at 31 December 1997	<u>2,000,000</u>
Net book value at 31 December 1996	<u>-</u>

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	100%
Ordinary "A" shares	100%
Preference shares	

BARCLAYS UNQUOTED INVESTMENTS LIMITED

9.	DEBTORS	1997 £	1996 £
	Amount owed by group undertakings	764,281	204
	Dividends receivable	66,664	-
	Other debtors	500,671	-
		<u>1,331,616</u>	<u>204</u>
10.	CREDITORS	1997 £	1996 £
	Group relief payable	(1,310)	-
	Other creditors	(2,604)	-
		<u>(3,914)</u>	<u>-</u>
11.	SHARE CAPITAL	1997 £	1996 £
	Authorised:		
	10,000,000 (1996: 100) Ordinary Shares of £1 each	<u>10,000,000</u>	<u>100</u>
	Allotted and Fully Paid:		
	3,350,100 (1996:100) Ordinary Shares of £1 each	<u>3,350,100</u>	<u>100</u>

During the year 3,350,000 £1 Ordinary shares were allotted and fully paid and the authorised share capital was increased to 10,000,000 £1 Ordinary shares.

BARCLAYS UNQUOTED INVESTMENTS LIMITED

12. RECONCILIATION OF SHAREHOLDERS' FUNDS	1997	1996
	£	£
Opening shareholders' funds	204	204
Movement in share capital	3,350,000	-
Loss for the financial year	(22,502)	-
Net addition to shareholders' funds	3,327,498	-
Closing shareholders' funds	3,327,702	204

13. 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.