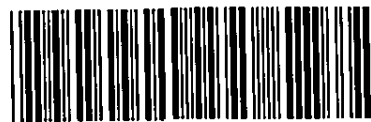


PISCES NOMINEES LIMITED

Report and Financial Statements For the year ended 31 December 2007

REGISTERED NUMBER: 2223203

FRIDAY



LHHWO3GM

LD2

26/09/2008

130

COMPANIES HOUSE

PISCES NOMINEES LIMITED

DIRECTORS' REPORT

For the year ended 31 December 2007

The directors present their report together with the audited financial statements for the year ended 31 December 2007

Review of business and future outlook

The principal activity of the Company is to act as an investment company. No significant change in this activity is envisaged in the foreseeable future and the directors expect the Company's future performance to be in line with the current year

The directors have reviewed the Company's business and performance and consider it to be satisfactory for the year. The directors consider that the Company's position at the end of the year is consistent with the size and complexity of the business

Given the nature of the business, the Company's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business

Results and Dividends

During the year the Company made a profit after taxation of £5,502,737 (2006 £6,536,265). The directors declared and paid dividends on ordinary shares of £12,000,000 (2006 £25,000,000) during the year. The directors consider that the performance of the Company has been satisfactory during the year

Derivatives and Financial Instruments

The Company's directors are required to follow the requirements of the Barclays Group risk management policies, which include specific guidelines on the management of foreign exchange, credit and interest rate risks and advises on the use of financial instruments to manage them. Barclays Group risk management policies can be found in the financial statements of Barclays Bank PLC (see note 14). Details of the derivatives and financial instruments used by the Company are set out in note 12

Directors

The directors of the Company, who served during the year, together with their dates of appointment and resignation, where appropriate, are as shown below

DJ Hodge
AI Moses
GM Wade

Directors' Indemnities

Qualifying third-party indemnity provisions (as defined by section 309B of the Companies Act 1985) were in force during the course of the financial year ended 31st December 2007 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 they may incur (or have incurred) in connection with their duties/powers of office

PISCES NOMINEES LIMITED

DIRECTORS' REPORT (continued)

For the year ended 31 December 2007

Statement of Directors' Responsibilities

The following statement, which should be read in conjunction with the Auditors' Report, is made with a view to distinguishing for shareholders the respective responsibilities of the directors and of the Auditors in relation to the financial statements

The directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss for the financial year

The directors consider that in preparing the financial statements

- The Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates,
- that all the accounting standards which they consider to be applicable have been followed, and
- that the financial statements have been prepared on a going concern basis

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

Each of the directors in office as at the date of this report confirms that

- there is no relevant audit information of which the Company's auditors are unaware, and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

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

Auditors

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. PricewaterhouseCoopers LLP have indicated their willingness to continue in office

BY ORDER OF THE BOARD



Director
11 August 2008

PISCES NOMINEES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PISCES NOMINEES LIMITED

We have audited the financial statements of Pisces Nominees Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

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

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

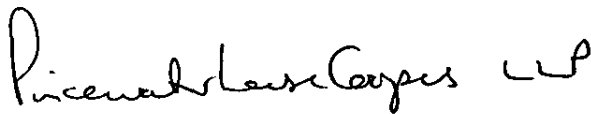
PISCES NOMINEES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PISCES NOMINEES LIMITED (continued)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London, United Kingdom

Date 18/8/08

PISCES NOMINEES LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2007**

	Notes	2007 £	2006 £
Administration income		17	8
Operating profit		<u>17</u>	<u>8</u>
Income from fixed asset investments	3	119,820,674	98,950,088
Interest receivable from group undertakings		1,488,565	5,112,995
Interest payable to group undertakings		(116,236,261)	(97,513,627)
Other income		1,951,640	1,951,640
Profit on ordinary activities before taxation	4	<u>7,024,635</u>	<u>8,501,104</u>
Tax on profit on ordinary activities	6	(1,521,898)	(1,964,839)
Profit on ordinary activities after taxation		<u>5,502,737</u>	<u>6,536,265</u>
Profit attributable to shareholders		<u>5,502,737</u>	<u>6,536,265</u>

All recognised gains and losses for the year are included in the profit and loss account. Operating profit is derived from continuing activities. There is no difference between the results disclosed in the profit and loss account and the results on an unmodified historical cost basis. The notes on pages 7 to 11 form an integral part of these financial statements.

PISCES NOMINEES LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2007

	Notes	2007 £	2006 £
FIXED ASSETS	7	2,075,241,545	2,075,241,545
CURRENT ASSETS			
DEBTORS Amounts falling due within one year	8	68,786,102	63,542,759
CREDITORS Amounts falling due within one year	9	(2,791,912)	(3,028,284)
NET CURRENT ASSETS		65,994,190	60,514,475
TOTAL ASSETS LESS CURRENT LIABILITIES		2,141,235,735	2,135,756,020
CREDITORS Amounts due after more than one year	9	(2,131,773,210)	(2,119,796,232)
NET ASSETS		9,462,525	15,959,788
CAPITAL AND RESERVES			
Called up share capital	10	2,690,002	2,690,002
Profit and loss account		6,772,523	13,269,786
TOTAL EQUITY SHAREHOLDERS' FUNDS	11	9,462,525	15,959,788

A reconciliation of movement in shareholders' funds is given in note 11

The notes on pages 7 to 11 form an integral part of these financial statements

The financial statements on pages 5 to 11 were approved by the Board of Directors on 08 August 2008



Director
11 August 2008

PISCES NOMINEES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES (continued)

Basis of accounting

The financial statements have been prepared under the historical cost convention, the accounting policies set out below and in accordance with applicable accounting standards of the Accounting Standards Board and pronouncements of the Urgent Issues Task Force

Investment debt securities

Investment debt securities are stated at cost less any provision for impairment. Investment securities are intended for use on a continuing basis by the Company and have been identified as such. Any discount or premium on acquisition is amortised on an effective yield basis through the profit and loss statement over the period that the security is held by the Company.

Stock Lending agreements

Investments and securities lent or sold subject to a stock lending agreement are retained on balance sheet when substantially all the risks and rewards of ownership remain within the Company. The counterparty liability is included separately on the balance sheet. Interest income and expense on stock lending transactions are recognised in the profit and loss account on an accruals basis.

Foreign exchange

Assets and liabilities in foreign currencies are translated into sterling at rates of exchange ruling on the balance sheet date, except where rates of exchange are fixed under contractual arrangements. Income and expense transactions denominated in foreign currencies are translated into sterling at average rates of exchange during the period unless a contracted rate applied. All other exchange profits and losses, which arise from trading activities, are included in the profit and loss account.

Revenue Recognition

Interest income is recognised on an accruals basis.

Derivatives

The Company is party to financial instruments that reduce exposure to fluctuations in foreign currency exchange, interest rates and credit spreads. These instruments comprise cross currency swap agreements, interest rate swap agreements, and credit spread swaps. The purpose of these instruments is to reduce risk. Profits or losses earned on the realisation of such derivative contracts are deferred on the balance sheet and recognised over the remaining life of the hedged item.

Taxation

The charge for taxation is based on the results for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

PISCES NOMINEES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. ACCOUNTING POLICIES

Consolidated financial statements

The financial statements contain information about Pisces Nominees Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under section 228 of the Companies Act 1985 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Barclays Bank PLC, a company registered in England and Wales.

2. CASH FLOW STATEMENT

The Company's ultimate holding Company has adopted the provisions of Financial Reporting Standard 1 ("FRS 1") revised 1996, Cash Flow Statements. Accordingly the Company, which is a wholly owned subsidiary of Barclays Bank PLC, has elected to utilise the exemption provided in FRS 1 not to produce a cash flow statement.

3. INCOME FROM FIXED ASSET INVESTMENTS

	2007 £	2006 £
Net interest receivable on US Treasury bonds and credit spread swap	119,820,674	98,950,088
	<u>119,820,674</u>	<u>98,950,088</u>

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

There were no employees employed by the Company during 2007 or 2006. The audit fee is borne by another group company. Although the audit fee is borne by another group company, the fee that would have been charged to the company amounts to £3,245 for the period. This fee is not recognised as an expense in the financial statements.

5. DIRECTORS' EMOLUMENTS

The Directors did not receive any emoluments in respect of their services to the Company during the year (2006: £nil).

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2007 £	2006 £
Current Taxation: UK Corporation Tax		
Tax charge on profit on ordinary activities	(1,521,897)	(1,964,839)
	<u>(1,521,897)</u>	<u>(1,964,839)</u>

PISCES NOMINEES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

The UK corporation tax charge is based on a standard UK corporation tax rate of 30%. The effective rate of tax is lower than the standard rate of tax as a result of non-taxable items. The difference is explained below:

	2007 £	2006 £
Profit on ordinary activities before taxation	7,024,635	8,501,104
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2006: 30%)	(2,107,390)	(2,550,331)
Effects of Non-taxable profit on novation of swaps	585,492	585,492
Total current tax charge	<u>(1,521,898)</u>	<u>(1,964,839)</u>

7. FIXED ASSETS

	Investment in subsidiaries £	US Treasury bonds £	Total £
At 1 January 2007	840,000	2,074,401,545	2,075,241,545
At 31 December 2007	<u>840,000</u>	<u>2,074,401,545</u>	<u>2,075,241,545</u>

The Company owns the entire ordinary share capital of Ulysses Finance. In the opinion of the directors, the value of the Company's investment in its subsidiary undertaking is not materially less than the amount stated in the balance sheet.

The Company has entered into cross currency, interest rate and credit spread swaps to hedge the underlying investments in US Treasury bonds (see note 12).

The bonds are stated at an amount equal to the proceeds that will be received under the cross currency swap. The directors consider that this treatment results in a presentation that more appropriately reflects the economic substance of the arrangements.

8. DEBTORS: Amounts falling due within one year

	2007 £	2006 £
Amounts owed by group undertakings	19,992,047	24,772,217
Interest receivable on US Treasury Bonds	48,318,372	38,770,542
Corporation tax receivable	475,683	-
	<u>68,786,102</u>	<u>63,542,759</u>

PISCES NOMINEES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. CREDITORS:

Amounts falling due within one year

	2007 £	2006 £
Amounts owed to group undertakings	840,272	835,525
Corporation tax payable	-	241,119
Deferred income	1,951,640	1,951,640
	<u>2,791,912</u>	<u>3,028,284</u>

Amounts due after more than one year

	2007 £	2006 £
Amounts owed to group undertakings	2,108,391,352	2,094,462,732
Deferred income	23,381,858	25,333,500
	<u>2,131,773,210</u>	<u>2,119,796,232</u>

Deferred income represents the profit on novation of interest rate swap agreements to a third party in 2005. This profit has been deferred and is being recognised over the life of the US Treasury Bonds that were originally hedged by the novated swaps (refer Note 7)

Amounts owed to group undertakings after more than one year represents cash collateral with a maturity greater than 5 years deposited with the Company by its parent undertaking, Barclays Bank PLC of £2,042,912,169 and interest payable of £65,479,183 on the Bonds stock loaned to Barclays Bank PLC

10. CALLED UP SHARE CAPITAL

	2007 £	2006 £
Authorised 5,000,000 ordinary shares of £1 each	5,000,000	5,000,000
Allotted and fully paid 2,690,002 ordinary shares of £1 each	<u>2,690,002</u>	<u>2,690,002</u>

PISCES NOMINEES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS

	2007 £	2006 £
Profit for the year	5,502,737	6,536,265
Dividends paid	(12,000,000)	(25,000,000)
Opening shareholders' funds	15,959,788	34,423,523
Closing shareholders' funds	9,462,525	15,959,788

12. DERIVATIVES AND FINANCIAL INSTRUMENTS

The Company is exposed to interest rate risk on its USD assets and liabilities and credit spread risk arising due to a change in the credit spread of Barclays Bank Plc over the issuer of the hedged Bonds. In order to hedge the cashflows the Company entered into Cross Currency Swaps, Interest Rate Swaps and Credit Spread Swap with Barclays Bank PLC.

The GBP notional of the USD.GBP Cross Currency Swaps outstanding was £2,074,401,545 (2006 £2,074,401,545) and the notional on the GBP Interest Rate Swaps outstanding was £2,074,401,545 (2006 £2,074,401,545). The fixed USD Bond cashflows are swapped to GBP 6 month LIBOR on a 6 monthly basis. The notional on the Credit Spread Swaps outstanding was \$2,350,000,000 (2006 \$2,350,000,000).

The fair value of Company's derivatives as at 31 December 2007 was

	2007 £	2006 £
Fair value of Interest Rate Swaps	38,639,671	17,001,675
Fair value of Cross Currency Swaps	572,562,947	575,875,539
Fair value of Credit Spread Swaps	(7,543,336)	19,384,608
	603,659,282	612,261,214

13. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption under the provisions of Financial Reporting Standard 8 ("FRS 8"), Related Party Disclosures not to disclose transactions with other group companies since the Company is a wholly owned subsidiary of Barclays Bank PLC, the consolidated financial statements of which are publicly available.

14. PARENT UNDERTAKING AND ULTIMATE HOLDING COMPANY

The parent undertaking of the smallest group that presents group accounts is Barclays Bank PLC. The ultimate parent company and controlling party is Barclays PLC, which is the parent company of the largest group that presents group accounts. Barclays Bank PLC's and Barclays PLC's statutory accounts are available from Barclays Corporate Secretariat, 1 Churchill Place, London E14 5HP.