

PISCES NOMINEES LIMITED
REPORT AND FINANCIAL STATEMENTS
Period ended 30 November 2011

Company Registered No 2223203



PISCES NOMINEES LIMITED

DIRECTORS' REPORT

The directors present their report together with the audited financial statements for the period from 3 December 2010 to 30 November 2011

CHANGE IN ACCOUNTING REFERENCE DATE

The Company has changed its accounting reference date from 2 December to 30 November

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

During the period, the principal activity of the Company was to act as an investment company. At the start of the period, the Company held 13 US Treasury bonds which had been lent under a stock loan agreement in exchange for cash collateral equal to the purchase price of the bonds. The Company was also party to various derivatives, which were primarily intended to hedge the Company's exposure to credit spread, foreign exchange and interest rate movements.

On 3 December 2010, Commerzbank Leasing Holdings Limited acquired the share capital of the Company from Swan Lane Investments Limited. On that date the Company ceased to be a member of the Barclays Group and became a member of the Commerzbank AG Group.

On 6 December 2010, the Company's cross currency swaps, credit spread swaps and certain breakage swaps were novated to a fellow group undertaking for an amount of £345,744,581.

On 11 January 2011, the bonds were sold to the former group undertaking they had been lent to. The cash collateral was offset against the proceeds due and a net amount of £405,679,201 was received by the Company. The remaining derivatives, including interest rate swaps, breakage swaps and the portfolio swap were early terminated and an amount of £77,531,652 was received by the Company.

Following these transactions the liabilities of the Company were settled leaving just an interest bearing deposit.

On 30 November 2011 the Company repaid 2,690,000 ordinary shares of £1 each at par so as to leave the Company with 2 ordinary shares of £1 each.

The directors do not expect the Company to enter into any new transactions in the foreseeable future.

RESULTS AND DIVIDENDS

The results of the Company for the period are set out in detail on page 4.

The profit for the financial period was £84,615,627 (period ended 2 December 2010: £2,883,976). The directors paid interim dividends of £74,000,000 and £418,022 on 31 March 2011 and 30 November 2011 respectively (period ended 2 December 2010: £Nil).

DIRECTORS

The directors who held office at the period end were as follows:

N G Aiken	(appointed 3 December 2010)
M C Beebee	(appointed 3 December 2010)
R A Birch	(appointed 3 December 2010)
P R Burrows	(appointed 3 December 2010)
A D Levy	(appointed 3 December 2010)

On 3 December 2010 A J Moses, R J Craine and M Treharne resigned as directors of the Company.

The Articles of Association of the Company provide that in certain circumstances the Directors are entitled to be indemnified out of the assets of the Company against claims from third parties in respect of certain liabilities arising in connection with the performance of their functions, in accordance with the provisions of the Companies Act 2006. Indemnity provisions of this nature have been in place during the financial period but have not been utilised by the Directors.

PISCES NOMINEES LIMITED

DIRECTORS' REPORT (continued)

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice). The financial statements are required by law to 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 estimates that are reasonable and prudent,
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business. As explained in note 1, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis and accordingly, the financial statements have been prepared on a break up basis.

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 its financial statements comply with the Companies Act 2006. They are responsible for safeguarding the assets of the Company and hence for taking steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO INDEPENDENT AUDITORS

The directors in office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Approved by the Board of Directors
and signed on behalf of the Board



J C Wall
Secretary
Pisces Nominees Limited
Company Registered No 2223203

26 July 2012

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 period ended 30 November 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 2, 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 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 30 November 2011 and of its profit for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, 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 period 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.

Emphasis of matter

We draw your attention to Note 1 of the financial statements which explains that the Company's fixed asset investments and derivatives were transferred or terminated during December 2010 and January 2011 and that the directors do not intend to enter into any new transactions. Accordingly the going concern basis of accounting is not appropriate. Our opinion is not qualified in this respect.



Duncan McNab (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

26 July 2012

PISCES NOMINEES LIMITED**PROFIT AND LOSS ACCOUNT****For the period ended 30 November 2011**

	Notes	Period from 3 Dec 2010 to 30 Nov 2011 £	Period from 1 Jan 2010 to 2 Dec 2010 £
Income from fixed asset investments	3	11,095,972	19,907,164
Interest receivable	4	573,104	12,068
Interest payable	5	(6,587,137)	(17,094,173)
Net income from hedging derivative	6	672,103	528,504
Foreign exchange loss on financial instruments		(6,919,426)	-
Other income		224,572	1,796,578
Other expense	7	(5,970,352)	(1,327,167)
OPERATING (LOSS) / PROFIT		(6,911,164)	3,822,974
Profit on sale of investments and disposal of associated derivatives		91,551,942	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		84,640,778	3,822,974
Tax on profit on ordinary activities	8	(25,151)	(938,998)
PROFIT FOR THE FINANCIAL PERIOD		84,615,627	2,883,976

All amounts stated above were derived from discontinued activities

There is no difference between the profit for the financial period above and its historical cost equivalent

There are no recognised gains or losses for the current period or the preceding period other than the profit on ordinary activities after taxation disclosed above. Accordingly no statement of total recognised gains and losses is given.

A statement showing the movement in the profit and loss account is set out in note 15 on page 11

The notes on pages 6 to 13 form an integral part of these financial statements

PISCES NOMINEES LIMITED

BALANCE SHEET

As at 30 November 2011

	Notes	30 Nov 2011 £	2 Dec 2010 £
FIXED ASSETS			
Investments	9	-	2,074,401,545
CURRENT ASSETS			
Debtors Amounts falling due after more than one year	10	-	188,080,889
Debtors Amounts falling due within one year	11	2	113,256,826
CREDITORS: Amounts falling due within one year	12	-	(2,131,735)
NET CURRENT ASSETS		2	299,205,980
TOTAL ASSETS LESS CURRENT LIABILITIES		2	2,373,607,525
CREDITORS: Amounts due after more than one year	13	-	(2,381,115,128)
NET ASSETS / (LIABILITIES)		2	(7,507,603)
CAPITAL AND RESERVES			
Called up share capital	14	2	2,690,002
Profit and loss account	15	-	(10,197,605)
TOTAL EQUITY SHAREHOLDERS' FUNDS	15	2	(7,507,603)

The accounting policies and notes on pages 6 to 13 form an integral part of these financial statements

These financial statements on pages 4 to 13 were approved by the Board of Directors and signed on its behalf by



A D Levy
Director

26 July 2012

PISCES NOMINEES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 November 2011

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom law and accounting standards and under the historical cost convention. In accordance with FRS 18 'Accounting policies', the directors have reviewed the accounting policies of the Company and consider them to be most appropriate for the nature of the business and its operations. The principal accounting policies have been applied consistently throughout the current period and the preceding period.

During December 2010 and January 2011 the Company's fixed asset investments and derivatives were either novated to a fellow group undertaking or terminated, generating a total profit of £91.6m. As the directors do not intend to enter into any new transactions, the financial statements have been prepared on a break up basis. The only remaining asset held by the Company, as at the date of the signing of these financial statements, is a current account balance held with Commerzbank AG London Branch. The directors do not consider the recovery of this balance to be a significant and material uncertainty and therefore no adjustments were necessary to the amount at which the asset is included in these financial statements.

Investment debt securities

Investment debt securities are stated at cost less any permanent diminution in value. Any discount or premium on acquisition is amortised on an effective yield basis through the profit and loss account over the period that the security is held by the Company. The investment securities held by the Company were intended for use on a continuing basis by the Company and were identified as such.

Stock Lending agreements

Investments and securities lent or sold subject to a stock lending agreement are retained on the 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 is recognised in the profit and loss account on an accruals basis.

Foreign exchange

Monetary assets and liabilities in foreign currencies are translated into Sterling at the exchange rate ruling at the balance sheet date except where rates of exchange are fixed under contractual arrangements. Trading results denominated in foreign currencies are translated into Sterling at average rates of exchange during the period unless a contracted rate applied. All exchange differences are included in the profit and loss account.

Revenue recognition

Interest income is recognised on an accruals basis.

Borrowings

Borrowings refer to loans and advances entered into. They are recognised as a liability when a contractual agreement resulted in the Company having a present obligation to deliver cash or another financial asset to the holder. The liability is recognised at initial cost and amortised cost using the effective rate of interest. Borrowing costs are charged as an expense to the profit and loss account in the period in which they are incurred.

Taxation

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

Related party transactions

The Company's parent undertaking up until 3 December 2010, Barclays Bank Plc and the Company's parent undertaking since 3 December 2010, Commerzbank AG, both prepare consolidated financial statements, which are publicly available. Accordingly advantage is taken in these financial statements of the exemptions available in FRS 8, 'Related Party Disclosures' for disclosure of transactions with entities that are part of the same group or investees of group entities.

PISCES NOMINEES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 November 2011 (continued)

1. ACCOUNTING POLICIES (continued)

Derivative financial instruments

At the start of the period the Company was a party to financial instruments that reduced exposure to fluctuations in credit, foreign currency exchange and interest rates. These instruments comprised cross currency swaps, interest rate swap agreements and credit spread swap agreements. The purpose of these instruments was to hedge interest rate, currency and credit spread risks.

Derivative financial instruments are accounted for on an accruals basis in line with the underlying assets or liabilities. Income and expense is taken to the same line in the profit and loss account as the underlying asset or liability. When derivative financial instruments used for hedging are disposed of at current market value, the difference between the consideration paid and the carrying amount on the date of disposal is recognised separately on the balance sheet and amortised over the remaining life of the hedged item on a straight line basis.

When the underlying assets or liabilities are disposed of, any unamortised amounts relating to hedging derivatives that had previously been disposed of, are taken to the profit and loss account as part of the profit or loss on disposal of the underlying asset or liability, along with the profit or loss on any other derivatives that are either disposed of or early terminated at the same time.

Cash flow statement

The Company has taken advantage of the exemption under FRS 1 'Cash Flow Statements' (revised) not to prepare a cash flow statement on the grounds that the ultimate parent undertaking, Commerzbank AG, prepares consolidated financial statements, which are publicly available.

2. ADMINISTRATIVE EXPENSES

All administrative expenses, including auditors' remuneration for services to the Company, were borne by another group company. The Company had no employees during the period (period ended 2 December 2010: Nil). None of the directors that served during the period received any emoluments in respect of their services to the Company (period ended 2 December 2010: £Nil). Auditor's remuneration for services to the Company was borne by Commerzbank AG London Branch (period ended 2 December 2010: Barclays Bank plc). The audit fee applicable in respect of this Company's financial statements was £15,000 (period ended 2 December 2010: £4,000). No amounts were receivable by the Company's auditor in respect of services to the Company, other than the audit of the Company's financial statements.

3. INCOME FROM FIXED ASSET INVESTMENTS

	Period from 3 Dec 2010 to 30 Nov 2011 £	Period from 1 Jan 2010 to 2 Dec 2010 £
Interest receivable on US Treasury bonds	12,675,058	105,477,954
Net interest on hedging derivative instruments with Barclays Bank plc	(1,579,086)	(85,570,790)
	<u>11,095,972</u>	<u>19,907,164</u>

The Company was party to a number of derivative transactions during the period. These included cross currency swaps, interest rate swaps and credit spread swaps. The combination of these derivatives hedged the return on the US Treasury bonds held by the Company into a part floating and part fixed Sterling return. For more information on the derivatives, please see note 17.

PISCES NOMINEES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 November 2011 (continued)

4. INTEREST RECEIVABLE

	Period from 3 Dec 2010 to 30 Nov 2011 £	Period from 1 Jan 2010 to 2 Dec 2010 £
Interest receivable from Barclays Bank plc	4,165	12,068
Interest receivable from Commerzbank AG London Branch	568,939	-
	<u>573,104</u>	<u>12,068</u>

5. INTEREST PAYABLE

	Period from 3 Dec 2010 to 30 Nov 2011 £	Period from 1 Jan 2010 to 2 Dec 2010 £
Interest payable to Barclays Bank plc	7,194,972	18,464,159
Net interest on hedging derivative instruments with Barclays Bank plc	(608,234)	(1,369,986)
Other interest payable	399	-
	<u>6,587,137</u>	<u>17,094,173</u>

In the preceding period the Company redenominated its cash collateral liability from Sterling to US dollars. In order to hedge this US dollar liability, a number of derivative instruments were entered into (see note 17). The derivative instruments hedged the interest payable to a Sterling based return. All derivative amounts reported within interest payable were held with Barclays Bank Plc.

6. NET INCOME FROM HEDGING DERIVATIVE

	Period from 3 Dec 2010 to 30 Nov 2011 £	Period from 1 Jan 2010 to 2 Dec 2010 £
Net derivative income from Barclays Bank plc	<u>672,103</u>	<u>528,504</u>

In the preceding period, the Company entered into a hedging derivative (the "Portfolio Swap"). The Portfolio Swap hedged the net return the Company was exposed to under its fixed assets, derivatives and cash collateral positions into a floating return. The Portfolio Swap was entered into with Barclays Bank Plc.

7. OTHER EXPENSE

	Period from 3 Dec 2010 to 30 Nov 2011 £	Period from 1 Jan 2010 to 2 Dec 2010 £
Amortisation of loss on the novation of derivative positions	<u>5,970,352</u>	<u>1,327,167</u>

In the preceding period, the Company novated interest rate swap positions to a fellow group undertaking and incurred a total loss of £210,469,623, with the loss then amortised over the life of the bonds which the derivatives were hedging £2,423,523 (period ended 2 December 2010 £1,327,167) of this loss was amortised during the period. On 6 December 2010 the Company novated cross currency swaps, credit spread swaps and certain breakage swaps to a fellow group undertaking and incurred a total loss of £322,616,542, with the loss then amortised over the life of the bonds which the derivatives were hedging £3,546,829 of this loss was amortised during the period. The unamortised balances at the date at which the underlying US Treasury bonds were sold were written off against the profit on disposal of the US Treasury bonds.

PISCES NOMINEES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 November 2011 (continued)

8. TAX ON PROFIT ORDINARY ACTIVITIES

	Period from 3 Dec 2010 to 30 Nov 2011 £	Period from 1 Jan 2010 to 2 Dec 2010 £
a) Analysis of charge for the period		
Current Taxation UK Corporation Tax		
Tax charge on profit on ordinary activities	-	938,998
Adjustments relating to prior periods	25,151	-
	<u>25,151</u>	<u>938,998</u>
b) Factors affecting the tax charge for the period		
The tax assessed for the period differs from the standard rate of corporation tax in the UK. The differences are explained below		
Profit on ordinary activities before taxation	84,640,778	3,822,974
Standard rate tax charge in the UK of 26.66% / 28%	<u>22,565,231</u>	<u>1,070,433</u>
Effects of		
Non-taxable income	(225,228,725)	(503,042)
Non-deductible expenses	50,584,347	371,607
Taxable income not recognised in the financial statements	152,675,022	-
Group relief claimed at no charge	(595,875)	-
Adjustments relating to prior periods	25,151	-
Total current tax charge	<u>25,151</u>	<u>938,998</u>

9. FIXED ASSETS - INVESTMENTS

	US Treasury bonds £
Balance as at 2 December 2010	2,074,401,545
Disposal	<u>(2,074,401,545)</u>
Balance as at 30 November 2011	<u>-</u>

The Company entered into cross currency (the "Cross Currency Swaps"), interest rate (the "Interest Rate Swaps") and credit spread swaps to hedge the underlying investments in US Treasury bonds (see note 17)

Up until the disposal of the Cross Currency Swaps on 6 December 2010, the bonds were stated at an amount equal to the proceeds that were to be received from the bonds based upon the exchange rate inherent in the Cross Currency Swaps. The directors considered that this treatment resulted in a presentation that most appropriately reflected the economic substance of the arrangements. Following the disposal of the Cross Currency Swaps, the bonds were translated at spot rate, with any foreign exchange gains and losses being taken to the profit and loss account.

PISCES NOMINEES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 November 2011 (continued)

10. DEBTORS: Amounts falling due after more than one year

	30 Nov 2011	2 Dec 2010
	£	£
Prepayment (see below)	-	188,080,889
	<u> </u>	<u> </u>

In the preceding period the Company novated a number of interest rate swap agreements to a fellow group undertaking. The Company paid a group undertaking a net amount of £233,958,800 to take on the derivative contracts. The accrued value of the instruments amounted to a liability of £23,489,177 on the date of transfer. The difference of £210,469,623 was recognised on the balance sheet within 'debtors amounts falling due after more than one year' and 'debtors amounts falling due within one year' to be amortised over the life of the bonds that the swaps were hedging. The amortisation during the period up to the disposal of the US Treasury bonds on 11 January 2011, was included within other expense in the profit and loss account (see note 7). The unamortised balance as at 11 January 2011 was written off against the profit on disposal of the US Treasury bonds.

11. DEBTORS: Amounts falling due within one year

	30 Nov 2011	2 Dec 2010
	£	£
Amounts owed by Barclays Bank plc	-	57,124,126
Amounts owed by Commerzbank AG London Branch	2	-
Interest receivable on US Treasury bonds	-	35,071,133
Prepayment (see note 10)	-	21,061,567
	<u> </u>	<u> </u>
	2	113,256,826
	<u> </u>	<u> </u>

In the preceding period the accrued interest receivable on the US Treasury bonds included the accruals under the derivative hedging instruments (see note 17). The amount receivable under the bond amounted to £22,581,062, with the balance relating to the hedging instruments held with Barclays Bank Plc of £12,490,071.

12. CREDITORS: Amounts falling due within one year

	30 Nov 2011	2 Dec 2010
	£	£
Amounts owed to Barclays Bank plc	-	4
Deferred income (see note 13)	-	1,951,640
Corporation tax payable	-	180,091
	<u> </u>	<u> </u>
	-	2,131,735
	<u> </u>	<u> </u>

PISCES NOMINEES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 November 2011 (continued)

13. CREDITORS: Amounts falling due after more than one year

	30 Nov 2011	2 Dec 2010
	£	£
Amounts owed to group undertakings	-	2,363,438,476
Deferred income	-	17,676,652
	<u>-</u>	<u>2,381,115,128</u>

Deferred income represented the profit on novation of interest rate swap agreements to a third party in 2005. This profit was deferred and was being recognised over the life of the US Treasury bonds that were originally hedged by the novated swaps. The unamortised balance at the date of disposal of the US Treasury bonds was released to form part of the profit on disposal of the US Treasury bonds.

Amounts owed to group undertakings after more than one year represented cash collateral deposited with the Company by its then parent undertaking, Barclays Bank Plc. During the preceding period, the cash collateral was redenominated from Sterling into US dollars and additional US dollar cash collateral was borrowed. The interest rates on the cash collateral were fixed.

The Company entered into cross currency swaps (the "Collateral Cross Currency Swaps") and interest rate swaps (the "Collateral Interest Rate Swaps") to hedge the US dollar cash collateral into either a fixed or floating Sterling liability. Up until the disposal of the Collateral Cross Currency Swaps on 6 December 2010, the cash collateral was stated at an amount equal to the proceeds that were to be received on the GBP notional under the Collateral Cross Currency Swaps. The directors considered that this treatment resulted in a presentation that most appropriately reflected the economic substance of the arrangements. Following the disposal of the Collateral Cross Currency Swaps, the cash collateral was translated at spot rate, with any foreign exchange gains and losses being taken to the profit and loss account.

14. CALLED UP SHARE CAPITAL

	30 Nov 2011	2 Dec 2010
	£	£
Authorised 5,000,000 ordinary shares of £1 each	<u>5,000,000</u>	<u>5,000,000</u>
Allotted and fully paid 2 (period ended 2 December 2010: 2,690,002) ordinary shares of £1 each	<u>2</u>	<u>2,690,002</u>

On 30 November 2011 the Company repaid 2,690,000 ordinary shares of £1 each at par so as to leave the Company with 2 ordinary shares of £1 each.

15. COMBINED RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDER'S FUNDS AND STATEMENT OF MOVEMENTS ON RESERVES

	Issued share capital	Profit and loss account	Shareholder's funds total 30 Nov 2011	Shareholder's funds total 2 Dec 2010
	£	£	£	£
At beginning of period	2,690,002	(10,197,605)	(7,507,603)	(10,391,579)
Profit for the financial period	-	84,615,627	84,615,627	2,883,976
Interim dividends paid	-	(74,418,022)	(74,418,022)	-
Repayment of share capital	(2,690,000)	-	(2,690,000)	-
At end of the period	<u>2</u>	<u>-</u>	<u>2</u>	<u>(7,507,603)</u>

PISCES NOMINEES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 November 2011 (continued)

16. DIVIDENDS

The aggregate amount of dividends comprises	Period from 3 Dec 2010 to 30 Nov 2011 £	Period from 1 Jan 2010 to 2 Dec 2010 £
Interim dividends paid (£27.66 per share)	74,418,022	-

17. DERIVATIVES AND FINANCIAL INSTRUMENTS

During the period to 11 January 2011, the Company was exposed to interest rate risk and foreign exchange risk on its US dollar assets and US dollar 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 and the credit risk the Company entered into the following derivatives, all of which were novated or terminated during the period

i.) Derivatives hedging the Company's assets:

At the beginning of the period the GBP notional of the USD GBP Cross Currency Swaps entered into to hedge the Company's assets was £2,074,401,545 and the notional on the Interest Rate Swaps outstanding at that date was £334,715,338. The difference between the consideration paid in the prior period for the novation of the swaps and the carrying amounts in the balance sheet was £210,469,623 which was being amortised over the life of the US Treasury bonds they hedged (see note 10). The fixed US Treasury bond cashflows were swapped to either a GBP 6 month LIBOR or GBP fixed rate. The notional on the credit spread swaps outstanding was \$2,350,000,000.

On 6 December 2010, the Cross Currency Swaps and credit spread swaps hedging the Company's US Treasury bonds were novated to a fellow group undertaking for an amount of £282,341,734. The difference between the consideration paid for the novation of the swaps and the carrying amount in the balance sheet, where the carrying amount represented a revalued amount as a result of the novation, was £309,895,192, which was then to be amortised over the life of the US Treasury bonds they hedged.

On disposal of the US Treasury bonds on 11 January 2011, the unamortised balance was written off against the profit on disposal of the US Treasury bonds. On the same date the Interest Rate Swaps were early terminated and the profit on termination was included as part of the profit on disposal of the US Treasury bonds.

The period end fair value of Company's derivatives hedging its assets was

	30 Nov 2011 £	2 Dec 2010 £
Fair value of Interest Rate Swaps	-	(41,155,545)
Fair value of Cross Currency Swaps	-	216,841,323
Fair value of Credit Spread Swaps	-	45,179,090
	-	220,864,868

ii.) Derivatives hedging the Company's liabilities and residual exposure:

During the prior period, the Company redenominated its cash collateral liability from Sterling into a fixed rate US dollar liability. To hedge the foreign exchange risk on the US dollar cash collateral the Company entered into a series of Collateral Cross Currency Swaps to receive a fixed US dollar amount and pay away a fixed Sterling amount. The notional of the Collateral Cross Currency Swaps at the beginning of the period amounted to £2,359,850,252.

PISCES NOMINEES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 November 2011 (continued)

17. DERIVATIVES AND FINANCIAL INSTRUMENTS (continued)

To hedge part of the GBP interest rate risk exposure, a series of Collateral Interest Rate Swaps were entered into in prior periods which resulted in the Company receiving a fixed rate of interest and paying away a floating Libor rate of interest. The notional of the Collateral Interest Rate Swaps amounted to £334,715,338, matching the notional of the Interest Rate Swaps on the asset side of the Company's balance sheet at that time.

The Company also entered into a Portfolio Swap and a series of Breakage Swaps in prior periods to hedge its residual exposure. The Portfolio Swap hedged the net return the Company was exposed to under its fixed assets, derivatives and cash collateral positions into a floating return. The Breakage Swaps hedged the breakage mismatch on the Collateral Cross Currency Swaps and the US dollar cash collateral. All of these instruments were entered into with Barclays Bank Plc.

On 6 December 2010, the Collateral Cross Currency Swaps and certain of the Breakage Swaps hedging the Company's collateral position were novated to a fellow group undertaking for an amount of £63,402,847. The difference between the consideration paid for the novation of the swaps and the carrying amount in the balance sheet, where the carrying amount represented a revalued amount as a result of the novation, was £12,721,349, which was then to be amortised over the life of the stock loan and collateral they hedged.

On disposal of the US Treasury bonds on 11 January 2011, the unamortised balance was written off against the profit on disposal of the US Treasury bonds. On the same date the Collateral Interest Rate Swaps, the remainder of the Breakage Swaps and the Portfolio Swap were early terminated and the loss on termination was offset against the profit on disposal of the US Treasury bonds.

The period end fair value of Company's derivatives hedging its liabilities and residual exposure was

	30 Nov 2011	2 Dec 2010
	£	£
Fair value of Collateral Interest Rate Swaps	-	(13,979,528)
Fair value of Collateral Cross Currency Swaps	-	101,972,868
Fair value of Portfolio Swap	-	(3,074,868)
Fair value of the Breakage Swaps	-	105,013,139
	-	189,931,611

18. ULTIMATE PARENT UNDERTAKING

Up until 3 December 2010, the immediate parent undertaking of the Company was Swan Lane Investments Limited, a company incorporated in England & Wales. The parent undertaking of the smallest group that presented group accounts was Barclays Bank Plc. The ultimate parent company and controlling party was Barclays Plc, which was the parent company of the largest group that presented group accounts. Barclays Bank Plc's and Barclays Plc's statutory accounts are available from Barclays Corporate Secretariat, 1 Churchill Place, London E14 5HP.

Since 3 December 2010, the immediate parent undertaking of the Company has been Commerzbank Leasing Holdings Limited, a company incorporated in England & Wales.

The largest group in which the results of the Company are consolidated is that headed by Commerzbank AG, a company incorporated in Germany under German law. Commerzbank AG is also the ultimate parent undertaking and controlling party. Financial statements of Commerzbank AG are available from Commerzbank AG, Investor Relations, Kaiserplatz, D-60261 Frankfurt am Main, Germany.