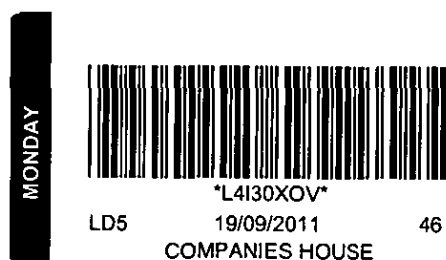


MENLO INVESTMENTS LIMITED

Report and Financial Statements For the year ended 31 December 2010



REGISTERED NUMBER IN ENGLAND & WALES: 03479178

MENLO INVESTMENTS LIMITED

Registered Number in England & Wales 03479178

DIRECTORS' REPORT

For the year ended 31 December 2010

The directors present their annual report together with the audited financial statements for the year ended 31 December 2010

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 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 (KPIs) 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 £10,192 (2009 £1,580,742). The directors did not declare interim dividends for 2010 (2009 £1,800,000). The directors consider that the performance of the Company has been satisfactory during the year.

Derivatives and financial instruments

The Company's directors operate within 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 advise 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 17).

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:

C Cortes Argote (resigned 31 December 2010)
JEF Corswarem (resigned 07 September 2010)
M Brown
S Eijkenduijn (appointed 08 September 2010)

Since the year end, P C Dickinson was appointed as a Director on 04 January 2011, N S Dhillon resigned as a Director on 13 January 2011, S Eijkenduijn resigned as a Director on 17 March 2011 and B Hill was appointed as a director on 5 April 2011.

DIRECTORS' REPORT (continued)
For the year ended 31 December 2010

Directors' third party indemnity provisions

Qualifying third-party indemnity provisions were in force during the course of the financial year ended 31st December 2010 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

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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 judgments and accounting 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

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.

MENLO INVESTMENTS LIMITED

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DIRECTORS' REPORT (continued)

For the year ended 31 December 2010

Statement of Directors' Responsibilities (continued)

In accordance with Section 418, each director in office at the date the directors' report is approved, confirms that

(a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) 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

Auditors

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

BY ORDER OF THE BOARD

Director

Name *Barrie Hill*

Date *28.07.2011*

For and on behalf of Menlo Investments Limited

MENLO INVESTMENTS LIMITED

Registered Number in England & Wales. 03479178

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MENLO INVESTMENTS LIMITED

We have audited the financial statements of Menlo Investments Limited for the year ended 31 December 2010 which comprise of 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 Directors' Responsibilities Statement on page 2 to 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 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 2010 and of its profit for the year 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 year for which the financial statements are prepared is consistent with the financial statements.

MENLO INVESTMENTS LIMITED

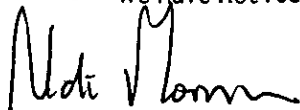
Registered Number in England & Wales. 03479178

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MENLO INVESTMENTS LIMITED (continued)

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



Nick Morrison (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

Date 29 July 2011

MENLO INVESTMENTS LIMITED
Registered Number in England & Wales. 03479178

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2010**

	Note	2010 £	2009 £
Other operating expense		-	(1)
Operating loss		<u>-</u>	<u>(1)</u>
Interest receivable and similar income	4	20,041	693
Interest payable and similar charges	5	(5,884)	(12,260)
Dividend income from fixed asset investment		-	2,243,568
Impairment loss	6	-	(654,497)
Profit on ordinary activities before taxation	7	<u>14,157</u>	<u>1,577,503</u>
Tax (expense)/credit for the year	8	(3,964)	3,239
Profit on ordinary activities after taxation		<u>10,193</u>	<u>1,580,742</u>

All recognised gains and losses are included in the profit and loss account. Operating loss 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 1 to 18 form an integral part of these financial statements.

MENLO INVESTMENTS LIMITED

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BALANCE SHEET AS AT 31 DECEMBER 2010

	Note	2010 £	2009 £
FIXED ASSET INVESTMENTS	10	501,507	519,825
CURRENT ASSETS			
CURRENT ASSET INVESTMENTS	11	393,060,752	393,066,857
DEBTORS Amounts falling due within one year	12	490,355	249,260
CREDITORS Amounts falling due within one year	13	(394,161,319)	(393,954,840)
NET CURRENT LIABILITIES		(610,211)	(638,723)
NET LIABILITIES		(108,705)	(118,898)
CAPITAL AND RESERVES			
Called up share capital	14	100,000	100,000
Profit and loss account		(208,705)	(218,898)
TOTAL SHAREHOLDERS' FUNDS	15	(108,705)	(118,898)

A reconciliation of movement in shareholders' funds is given in note 15.

The notes 1 to 18 form an integral part of these financial statements

The financial statements were approved by the Board of Directors and authorised for issue on 28 July 2011

Director

Name

Date

BH
Barrie Hill
28.07.2011

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared on a going concern basis under the historical cost convention, the accounting policies set out below and in accordance with the Companies Act 2006 and applicable accounting standards of the Accounting Standards Board and pronouncements of the Urgent Issues Task Force.

Basis of preparation

After reviewing the Company's performance and taking into account the support from Barclays Bank Plc, the directors are satisfied that the Company has adequate access to resources to enable them to meet its obligations and to continue in operational existence for the foreseeable future. For this reason, the directors have adopted the going concern basis in preparing these financial statements.

Interest

Interest income and expense is recognised on an accruals basis.

Foreign Exchange

Monetary assets and liabilities in foreign currencies are translated into US dollars 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 US dollar at average rates of exchange during the year unless a contracted rate applied. All exchange differences are included in the profit and loss account.

Dividends received

Dividend income is recognised in the profit and loss account on the date the Company becomes entitled to receive a dividend.

Taxation

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

Investments in subsidiaries

Investments in ordinary shares in subsidiaries are accounted for as fixed assets while the investments in preference shares are accounted as current assets investment. The preference shares owned by the Company do not have any voting rights and are redeemable at the option of the Company or the issuer on at least one business day's notice. The investments are stated at cost less any permanent diminution in value.

MENLO INVESTMENTS LIMITED

Registered Number in England & Wales. 03479178

NOTES TO THE FINANCIAL STATEMENTS (continued)

1 ACCOUNTING POLICIES (continued)

Preference shares issued

The liability in respect of the redeemable preference shares issued by the Company has been classified as creditors falling due within one year. The discretionary nature of redeemable preference share distributions results in them being classified as dividends paid in accordance with FRS 25. The discretionary nature of the redeemable preference share distributions results in them being classified as dividends paid in accordance with FRS 25.

Dividends from subsidiaries

Dividend income is recognised in the profit and loss account on the date the Company becomes entitled to receive a dividend under a contractual agreement.

Dividends on ordinary shares

Dividends are recognised in equity in the period in which an obligation to make a payment arises.

Borrowings

Borrowings refer to loans and advances entered into and Class E preference shares issued by the Company. They are recognised as a liability when a contractual agreement results 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 income statement in the period in which they are incurred.

Consolidated financial statements

The financial statements contain information about Menlo Investments Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under section 400 of the Companies Act 2006 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, Barclays Bank PLC, prepares consolidated financial statements which are publically available. 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. DIRECTORS' EMOLUMENTS

The Directors did not receive any emoluments in respect of their services to the Company during 2010 or 2009.

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	2010 £	2009 £
Interest receivable from group undertakings	15	693
Interest from UK HMRC on late refund of tax for Romintco Investments B V	20,026	-
	<u>20,041</u>	<u>693</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2010 £	2009 £
Interest payable to group undertakings	5,884	12,260
	<u>5,884</u>	<u>12,260</u>

6. IMPAIRMENT LOSS

	2010 £	2009 £
Impairment of investment in subsidiary	-	654,497
	<u>-</u>	<u>654,497</u>

7. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

There were no employees employed by the Company during 2010 and 2009. 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 £3,100 (2009: £3,100) for the year. This fee is not recognised as an expense in the financial statements.

MENLO INVESTMENTS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS (continued)**8. TAXATION**

	2010 £	2009 £
UK Corporation Tax	(3,964)	3,239
Tax (charge)/credit	<u>(3,964)</u>	<u>3,239</u>

A numerical reconciliation of the applicable tax rate and the average effective tax rate is as follows

	2010 £	2009 £
Profit on ordinary activities before tax	14,156	1,577,502
Profit on ordinary activities multiplied by the rate of corporation tax in the UK of 28% (2009 28%)	(3,964)	(441,701)
Effects of		
Non-taxable UK dividend income	-	628,199
Impairment loss (Note 6)	-	(183,259)
Current tax (charge)/credit for the year	<u>(3,964)</u>	<u>3,239</u>

9. DIVIDENDS PAID ON ORDINARY SHARES

	2010 £	2009 £
Dividends paid in 2010 - £0 per ordinary share (2009 £18 per ordinary share)	-	1,800,000
	<u>-</u>	<u>1,800,000</u>

MENLO INVESTMENTS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS (continued)**10. FIXED ASSETS INVESTMENTS**

	2010 £	2009 £
Cost at 1 January	519,825	769,825
Redemption of Romintco Investments B V ordinary shares	(18,318)	-
Impairment loss	-	(250,000)
Cost at 31 December	<u>501,507</u>	<u>519,825</u>

Investment in subsidiary undertakings represents the ordinary shares of the Company's subsidiaries Bramley Landing Limited, Core Investments (Cayman) Limited, and Pippin Island Investments Limited. The share holdings of these entities are detailed below

Subsidiary undertaking	Country of incorporation	Nature of business	Equity capital held
Bramley Landing Limited	Cayman Island	Investment company	100%
Core Investments (Cayman) Limited	Cayman Island	Investment company	100%
Pippin Island Investments Limited	Cayman Island	Investment company	100%

As of 2009, the Company has ordinary share investments in Romintco Investments BV. On December 1, 2010, Romintco Investments B V was liquidated and the shares were redeemed by the Company.

In the opinion of the directors, the value of the Company's investments in its subsidiary undertakings is not less than the amount stated in the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. CURRENT ASSET INVESTMENTS

	2010 £	2009 £
Preference shares held in Romintco Investments B V	-	6,106
Preference shares held in Bramley Landing Limited	391,680,105	391,680,105
Preference shares held in Core Investments (Cayman) Limited	1,380,646	1,380,646
Cost at 31 December	<u>393,060,752</u>	<u>393,066,857</u>

The Company owns 100% of the Preference Shares of Bramley Landing Limited and Core Investments (Cayman) Limited

Due to the liquidation of Romintco Investments B V in the year, the Non redeemable preference shares of £6,106 were redeemed by the Company

All of the preference shares owned by the Company do not have any voting rights and are redeemable at the option of the Company or the issuer on at least one business day's notice Dividends on the preference shares are payable at the discretion of the issuer

12. DEBTORS: Amounts falling due within one year

	2010 £	2009 £
Amounts owed by group undertakings	490,355	249,260
Group relief receivable	-	-
	<u>490,355</u>	<u>249,260</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. CREDITORS: Amounts falling due within one year

	2010 £	2009 £
Amounts owed to group undertakings	485,421	479,538
Preference shares	393,465,249	393,465,249
Group relief payable	210,649	10,052
	<u>394,161,319</u>	<u>393,954,840</u>

Preference Share Capital	2010 £	2009 £
Authorised		
400,100,000 redeemable preference shares of £1 each	400,100,000	400,100,000
	<u> </u>	<u> </u>
Allotted and fully paid		
393,465,249 redeemable preference shares of £1 each	393,465,249	393,465,249
	<u> </u>	<u> </u>

The preference shares have no voting rights attached to them and are redeemable at the option of the company or the preference shareholder at any time on at least one business days notice. Dividends on the preference shares are payable at the discretion of the Company's directors. The preference shares have preferential liquidation entitlement of their original subscription price plus any declared but unpaid dividends.

14. CALLED UP SHARE CAPITAL

	2010 £	2009 £
Authorised		
28,000,000 ordinary shares of £1 each	28,000,000	28,000,000
	<u> </u>	<u> </u>
Allotted and fully paid		
100,000 ordinary shares of £1 each	100,000	100,000
	<u> </u>	<u> </u>

Dividends on the ordinary shares are payable at the discretion of the Company's directors.

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2010 £	2009 £
Profit for the financial year	10,193	1,580,742
Opening shareholders' funds	(118,898)	100,360
Dividends paid	-	(1,800,000)
Closing shareholders' funds	<u>108,705</u>	<u>118,898</u>

16. 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. There have been no other transactions with related parties requiring disclosure during the year (2009 none)

17. 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.