

Relative Value Trading Limited

Report and Financial Statements For the year ended 30 November 2011



REGISTERED NUMBER IN ENGLAND & WALES: 6817403

Relative Value Trading Limited

Registered Number in England & Wales 6817403

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 NOVEMBER 2011

The directors present their report together with the audited financial statements for the year ended 30 November 2011

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 period.

The directors have reviewed the Company's business and performance and consider it to be consistent with the activity for the period. The directors consider that the Company's position at the end of the period 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 (KPI's) is not necessary for an understanding of the development, performance or position of the business.

Results and dividends

During the year ended 30 November 2011, the Company made a loss after tax of \$3,225,223 (2010 loss \$2,171,449). As at 30 November 2011 the Company has net assets of \$18,082,615 (2010 net assets \$21,307,838).

Directors

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

	<u>Appointed</u>	<u>Resigned</u>
E Khairov		
P Pankhania		16 September 2011
G Brawn		25 August 2011
P Shah		
N Abhat	25 August 2011	
P Dickinson	16 September 2011	
A Shah	28 November 2011	

Since year end P Shah resigned as a director on 7 March 2012, and N Abhat resigned as a director on 25 May 2012.

Directors' third party indemnity provisions

Qualifying third party indemnity provisions were in force during the course of the financial period from 1 December 2010 to 30 November 2011 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 may occur (or have occurred) in connection with their duties, powers or office.

Relative Value Trading Limited

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DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 30 NOVEMBER 2011

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 prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 judgements and accounting estimates that are reasonable and prudent,
- state whether applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union 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.

In accordance with Section 418, directors' reports shall include a statement, in the case of each director in office at the date the directors' report is approved, 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

Financial instruments

The Company operates within the Barclays financial risk management objectives and policies. These include a policy for hedging each major type of forecast transaction for which hedge accounting is used. The exposures to price risk, credit risk and liquidity risk are set out in note 18 'Financial Risks'.

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DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 30 NOVEMBER 2011

Auditors

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

Post balance sheet events

Post balance sheet event are set out in note 22 to the accounts

BY ORDER OF THE BOARD



Director

Name Paul Dickinson

For and on behalf of Relative Value Trading Limited

Date. 05 July 2012

Relative Value Trading Limited

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RELATIVE VALUE TRADING LIMITED

We have audited the financial statements of Relative Value Trading Limited for the year ended 30 November 2011 which comprise the Income Statement, the Balance Sheet, the Statement of Changes in Equity, the Cash flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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.

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 loss and cash flows for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, 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.

Relative Value Trading Limited

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RELATIVE VALUE TRADING 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



Carl Sizer (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom

Date 10 July 2012

Relative Value Trading Limited

Registered Number in England & Wales 6817403

INCOME STATEMENT

FOR THE YEAR ENDED 30 NOVEMBER 2011

	Notes	Year ended 30 November 2011	Year ended 30 November 2010
Continuing operations.		\$	\$
Interest receivable and similar income	4	2,221,121	412,504
Interest payable and similar charges	5	(5,435,047)	(3,342,765)
Net interest expense		(3,213,926)	(2,930,261)
Fee income		50,000	-
Fee expense		(1,263,359)	(36,666)
Net fee expense	6	(1,213,359)	(36,666)
Net loss on ordinary activities before taxation		(4,427,285)	(2,966,927)
Taxation	10	1,202,062	795,478
Comprehensive loss for the year		(3,225,223)	(2,171,449)
Loss attributable to shareholders		(3,225,223)	(2,171,449)

The loss for the year is derived from continuing activities. All recognised income and expenses have been reported in the income statement, hence no Statement of Comprehensive Income has been included in the financial statements. The accompanying notes on pages 10 to 23 form an integral part of these financial statements.

Relative Value Trading Limited

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BALANCE SHEET AS AT 30 NOVEMBER 2011

	Notes	As at 30 November 2011 \$	As at 30 November 2010 \$
ASSETS			
Non-current assets			
Loans and advances	11	1,760,935,969	-
Total non-current assets		1,760,935,969	-
Current assets			
Cash and cash equivalents	12	151,632,831	151,727,786
Current taxation	13	1,014,213	823,290
Total current assets		152,647,044	152,551,076
TOTAL ASSETS		1,913,583,013	152,551,076
LIABILITIES			
Current liabilities			
Other liabilities		-	(263,333)
Total current liabilities		-	(263,333)
Net current assets		1,913,583,013	152,287,743
Non-current liabilities			
Borrowings	14	(1,895,500,398)	(130,979,905)
TOTAL LIABILITIES		(1,895,500,398)	(131,243,238)
NET ASSETS		18,082,615	21,307,838
SHAREHOLDERS' EQUITY			
Called up share capital	15	25,000,100	25,000,100
Retained earnings		(6,917,485)	(3,692,262)
TOTAL SHAREHOLDERS' EQUITY		18,082,615	21,307,838

The accompanying notes on pages 10 to 23 form an integral part of the financial statements

The financial statements were approved by the Board of Directors and authorised for issue on 05 July 2012 and were signed on its behalf by



Name Paul Dickinson

For and on behalf of Relative Value Trading Limited

Date 05 July 2012

Relative Value Trading Limited

Registered Number in England & Wales 6817403

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 NOVEMBER 2011

	Share capital	Retained earnings	Total equity
	\$	\$	\$
Balance at 1 December 2010	25,000,100	(3,692,262)	21,307,838
Net loss for the year	-	(3,225,223)	(3,225,223)
Balance at 30 November 2011	<u>25,000,100</u>	<u>(6,917,485)</u>	<u>18,082,615</u>

	Share capital	Retained earnings	Total equity
	\$	\$	\$
Balance at 1 December 2009	25,000,100	(1,520,813)	23,479,287
Net loss for the year	-	(2,171,449)	(2,171,449)
Balance at 30 November 2010	<u>25,000,100</u>	<u>(3,692,262)</u>	<u>21,307,838</u>

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CASHFLOW STATEMENT FOR THE YEAR ENDED 30 NOVEMBER 2011

	Note	Year ended 30 November 2011 \$	Year ended 30 November 2010 \$
NET CASH (USED IN)/FROM OPERATION	16	(1,123,654)	16,832,832
Interest received		1,432,114	412,504
Interest paid		(1,414,554)	-
Tax received		1,011,139	598,181
NET CASH (USED IN)/FROM OPERATING ACTIVITIES		(94,955)	17,843,517
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of floating rate note	11	(1,760,500,000)	-
NET CASH FROM INVESTING ACTIVITIES		(1,760,500,000)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of floating rate note	14	1,760,500,000	-
NET CASH FROM FINANCING ACTIVITIES		1,760,500,000	-
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(94,955)	17,843,517
Cash and cash equivalents at start of the year		151,727,786	133,884,269
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		151,632,831	151,727,786
CASH AND CASH EQUIVALENTS COMPRISE.			
Cash at hand	12	1,079,639	421
Deposits with group undertakings	12	150,553,192	151,727,365
		151,632,831	151,727,786

Relative Value Trading Limited

Registered Number in England & Wales 6817403

NOTES TO THE FINANCIAL STATEMENTS

1 REPORTING ENTITY

The financial statements are prepared for Relative Value Trading Limited (the Company), under Section 394 of the Companies Act 2006. The principal activity of the Company is to act as an investment Company. The Company is a wholly owned subsidiary of Relative Value Investments UK LLP and its ultimate parent Company is Barclays PLC. Barclays PLC prepares consolidated financial statements in accordance with IFRS as adopted by the European Union, and accordingly consolidated financial statements have not been prepared for Relative Value Trading Limited.

Relative Value Trading Limited is a limited company incorporated and domiciled in England and Wales. The Company's registered office is

1 Churchill Place
London
E14 5HP
England

2 COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"), as published by the International Accounting Standards Board ("IASB"). They are also in accordance with the IFRSs and IFRIC interpretations as adopted by the European Union.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied.

The effects of the application of new and revised international financial reporting standards (IFRS) are set out on page 13.

Basis of preparation

The financial statements have been prepared under the historical cost convention modified to include the fair valuation of certain financial instruments to the extent required or permitted under IAS 39, 'Financial Instruments, recognition, and measurement' as set out in the relevant accounting policies. They are stated in US dollars, which is the Company's functional and presentation currency.

Revenue recognition

Revenue is recognised in the income statement when it is probable that the economic benefits associated with the transaction will be received by the Company. Revenue is reported at the fair value of the consideration received or receivable.

Interest

Interest income or expense is recognised on all interest bearing financial assets classified as held to maturity, available for sale or other loans and advances, and on interest bearing financial liabilities, using the effective interest method.

Relative Value Trading Limited

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NOTES TO THE FINANCIAL STATEMENTS (continued)

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

The effective interest method is a method of calculating the amortised cost of a financial asset or liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts the expected future cash payments or receipts through the expected life of the financial instrument, or when appropriate, a shorter period, to the net carrying amount of the instrument. The application of the method has the effect of recognising income (and expense) receivable (or payable) on the instrument evenly in proportion to the amount outstanding over the period to maturity or repayment.

Fees and commissions

Fees and commissions are recognised in the income statement on an accruals basis as the service is provided.

Fair value gains and (losses) from assets and liabilities reported at fair value through profit and loss

Fair value gains and (losses) represent changes in the fair value of financial instruments. The balance includes fair value movements from assets and liabilities reported at fair value through the income statement, as well as instruments held for trading purposes, and derivatives. Gains and losses from the movements in fair value caused by the movements in the market variables are included in the income statement, as well as any amount of interest income, interest expense or dividends.

Foreign exchange

Foreign currency transactions are translated into US Dollar using the spot exchange rates prevailing at the dates of the transactions.

Monetary items denominated in foreign currencies are translated into functional currency at the spot rate prevailing on the balance sheet date. All exchange gains and losses are recognised in the income statement except for items that are designated as hedging instruments in qualifying cash flow hedges or hedges of net investments, translation differences for which are recognised in equity.

Taxation

Taxation payable on taxable profits is recognised as an expense in the period in which the profits arise. Income tax recoverable on tax allowable losses is recognised as an asset only to the extent that it is regarded as probable that it is recoverable by offset against current or future taxable profits.

Current tax assets and liabilities are only offset when they arise in the same tax reporting group and where there is both the legal right and the intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Loans and advances

Loans and advances are recorded on balance sheet according to the substance of the contractual arrangement entered into. Loans and advances are initially recorded at fair value including direct and incremental transaction costs. They are subsequently valued at amortised cost, less any amounts that have been provided for to reflect impairment in the value of the investment, where there is objective evidence of impairment. Income is recognised in the income statement, using the effective interest rate which discounts estimated future cash flows through the life of the financial asset to that asset's net carrying value.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents

For the purposes of the cash flow statement, cash comprises cash on hand, demand deposits, and cash equivalents. Cash equivalents comprise highly liquid investments that are convertible into cash with an insignificant risk of changes in value with original maturities of less than three months.

Borrowings

Borrowings represent loans and advances from a fellow group 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 initially recognised at fair value and amortised to the redemption value using the effective rate of interest over the life of the instrument.

Borrowing costs are charged as an expense to the income statement in the period in which they are incurred.

Share Capital

Share capital classified as equity is shown in called up share capital, and the costs associated with the issuance of shares are recorded as a deduction from equity. Dividends paid on ordinary shares are recognised in equity in the period in which they are paid or, if earlier, approved by the Company's shareholders.

Determining fair value

Where the classification of a financial instrument requires it to be stated at fair value, this is determined by reference to the quoted bid value in an active market wherever possible. Where no such active market exists for the particular asset, the Company uses a valuation technique to arrive at the fair value, including the use of prices obtained in recent arms' length transactions, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants.

The following fair value classifications are used when determining the fair value of assets and liabilities in the financial risks note:

Level 1

Financial instruments for which their valuations are determined by reference to unadjusted quoted prices for identical assets or liabilities in active markets where the quoted price is readily available and the price represents actual and regularly occurring market transactions on an arm's length basis,

Impairment of financial assets

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a portfolio of financial assets, including trade receivables, is impaired. The factors that the Company takes into account include significant financial difficulties of the debtor or the issuer, a breach of contract or default in payments, the granting by the Company of a concession to the debtor because of a deterioration in its financial condition, the probability that the debtor will enter into bankruptcy or other financial reorganisation, or, in the disappearance of an active market for a security because of the issuer's financial difficulties.

Impairment allowances are calculated, based on the difference between the carrying amount of the asset and its estimated recoverable amount, calculated by reference to the expected cash flows from it discounted at the original effective interest rate for the asset.

Relative Value Trading Limited

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NOTES TO THE FINANCIAL STATEMENTS (continued)

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

Application of new and revised international financial reporting standards (IFRS)

The following new and revised IFRS's have been applied in the current year. Details of the effect of these are set out below.

New and revised standards affecting presentation and disclosure only

Amendment to IAS 1

The amendment clarifies that an entity may choose to disclose an analysis of other comprehensive income by item in the statement of changes in equity or in the notes to the financial statements.

The Company has chosen to continue with the former presentation, disclosing the analysis of other comprehensive income by item, in the statement of changes of equity.

IAS 24 Related Party Disclosures

IAS 24 has been revised by changing the definition of a related party and introducing a partial exemption from disclosure requirements for government related entities.

The application of the revised definition has not resulted in the identification of related parties that were not identified as related parties under the previous standard.

Future accounting developments

The following standards and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning after 1 January 2011 and have not been adopted.

Amendments to IFRS 7*	Disclosures- Transfer of Financial Assets ¹
IFRS 9	Financial Instruments ²
IFRS 10	Consolidated Financial Statements ²
IFRS 11	Joint arrangements ²
IFRS 12	Disclosure of interests in other entities ²
IFRS 13	Fair Value Measurement ²
Amendment to IAS 1	Presentation of items in Other Comprehensive Income ³
Amendment to IAS 12	Deferred tax- recovery of underlying ⁴
IAS 19 (as revised in 2011)	Employee benefits ²
IAS 27 (as revised in 2011)	Separate financial statements ²
IAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures ²
IFRS 1, 'First-time adoption of International Financial Reporting Standards-	Severe hyperinflation and removal of fixed dates for first-time adopters ¹

¹ Effective for annual periods beginning on or after 1 July 2011

² Effective for annual periods beginning on or after 1 January 2013

³ Effective for annual periods beginning on or after 1 July 2012

⁴ Effective for annual periods beginning on or after 1 January 2012

* EU endorsed

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NOTES TO THE FINANCIAL STATEMENTS (continued)

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

- Amendments to IFRS 7 The amendments increase the disclosure requirements for transaction involving transfer of financial assets. These amendments are intended to provide greater transparency around risk exposures when a financial asset is transferred but the transferor retains some level of continuing exposure in the asset. The amendments also require disclosures where transfers of assets are not evenly distributed throughout the period.

The directors do not anticipate that amendments to IFRS will have a significant effect on the Company's disclosures however if the company enters into such transactions in the future, disclosures in compliance with these amendments to IFRS 7 will be required.

-IFRS 9 'Financial Instruments Classification and Measurement' was published on 12 November 2009. Requirements for financial liabilities were added to IFRS 9 in October 2010. It is the first phase of a project to replace IAS 39 and will ultimately result in fundamental changes in the way that the Company accounts for financial instruments. Adoption of the standard is not mandatory until accounting periods beginning on or after 1st January 2013 but early adoption is permitted. However, it is not available for adoption in the EU until it has been endorsed.

The main differences from IAS 39 are as follows:

- All financial assets, except for certain equity investments, would be classified into one of two categories: amortised cost, where they generate solely payments of interest and principal and the business model is to collect contractual cash flows that represent principal and interest, or fair value through profit or loss.
- Certain non-trading equity investments would be classified at fair value through profit or loss or fair value through other comprehensive income with dividends recognised in net income.
- Embedded derivatives are no longer considered for bifurcation but are included in the assessment of the cash flows for the classification of the financial asset as a whole.
- Financial assets which meet the requirements for classification at amortised cost are optionally permitted to be measured at fair value if that eliminates or significantly reduces an accounting mismatch.
- Reclassifications are required, if and only if, there is a change in the business model.

Aspects of financial instrument accounting which will be addressed in future phases of the project include impairment of amortised cost financial assets and hedge accounting. The entity is assessing the impacts of the first phase in the project, as well as following developments in the future phases.

-Amendments to IFRS 7 This was issued in October 2010. These amendments improve the disclosure requirements in relation to transferred financial assets. The amendments are effective for annual periods beginning on or after 1 July 2011, with earlier application permitted.

- Amendment to IAS 12 Income Taxes issued December 2010. The amendment provides a practical solution to the problem of determining whether assets measured using the fair value model in IAS 40 Investment Property are recovered through use or through sale. The amendment is effective for annual periods beginning on or after 1 July 2011, with earlier application permitted.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

–On 13 May 2011 the IASB issued IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities. IFRS 10 provides a single consolidation model that identifies control as the basis for consolidation for all types of entities. IFRS 10 replaces IAS 27 Consolidated and Separate Financial Statements and SIC-12 Consolidation—Special Purpose Entities. IFRS 11 *Joint Arrangements* establishes principles for the financial reporting by parties to a joint arrangement. IFRS 11 supersedes IAS 31 Interests in Joint Ventures and SIC-13—*Jointly Controlled Entities—Non-monetary Contributions by Venturers*. IFRS 12 combines, enhances and replaces the disclosure requirements for subsidiaries, joint arrangements, associates and unconsolidated structured entities. As a consequence of these new IFRSs, the IASB also issued amended and retitled IAS 27 *Separate Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures*. The new requirements are effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

–On 13 May 2011 the IASB issued IFRS 13 Fair Value Measurement. IFRS 13 defines fair value, sets out in a single IFRS a framework for measuring fair value and requires disclosures about fair value measurements.

IFRS 13 applies when other IFRSs require or permit fair value measurements. It does not introduce any new requirements to measure an asset or a liability at fair value, change what is measured at fair value in IFRSs or address how to present changes in fair value. The new requirements are effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year ended 30 November 2011	Year ended 30 November 2010
	\$	\$
Interest receivable from group undertakings	2,221,121	412,504
	<u>2,221,121</u>	<u>412,504</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	Year ended 30 November 2011	Year ended 30 November 2010
	\$	\$
Interest payable to group undertakings	(5,435,047)	(3,342,765)
	<u>(5,435,047)</u>	<u>(3,342,765)</u>

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NOTES TO THE FINANCIAL STATEMENTS (continued)

6. NET FEE EXPENSE

	Year ended 30 November 2011 \$	Year ended 30 November 2010 \$
Guarantee fee receivable	50,000	-
Collateral management and services fees payable	(1,263,359)	(36,666)
	<u>(1,213,359)</u>	<u>(36,666)</u>

The guarantee fee and collateral management and services fees were received and paid to other group undertakings

7. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

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 \$7,300 for the year ended 30 November 2011 (2010 \$7,300). This fee is not recognised as an expense in the financial statements.

8. DIRECTORS' EMOLUMENTS

The directors did not receive any emoluments in respect of their services to the Company during the year ended 30 November 2011 (2010 \$nil).

9. STAFF COSTS

There were no employees employed by the Company during for the year ended 30 November 2011 (2010 \$nil).

10. TAXATION

	Year ended 30 November 2011 \$	Year ended 30 November 2010 \$
UK corporation tax	1,202,062	795,478
Tax credit on loss on ordinary activities	<u>1,202,062</u>	<u>795,478</u>

The UK corporation tax charge is based on a blended UK corporation tax rate of 26.66%.

As the year end is after substantive enactment date (19 July 2011) of the Finance Act 2011, these financial statements account for the change in tax rate from 28% to 26% with effect from 1 April 2011.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

10 TAXATION (continued)

The overall tax charge is explained in the following table

	Year ended 30 November 2011 \$	Year ended 30 November 2010 \$
Loss on ordinary activities before tax	(4,427,285)	(2,966,927)
Loss on ordinary activities multiplied by the blended rate of corporation tax in the UK of 26.66% (2010: 28%)	1,180,447	830,740
Foreign exchange effect	21,615	(35,262)
Tax credit on loss on ordinary activities	1,202,062	795,478

11. LOANS AND ADVANCES

	As at 30 November 2011 \$	As at 30 November 2010 \$
Amounts due from group undertakings - principal	1,760,500,000	-
Amounts due from group undertakings - interest	435,969	-
	1,760,935,969	-

The loans and advances represent an unsecured floating rate note with a subscription amount of \$1,760,500,000 and a maturity date of 26 November 2015

See note 4 and note 18 for additional information on loans and advances. The fair value of the Company's loans and advances as at 30 November 2011 is \$1,722,145,189 (2010: \$nil).

12. CASH AND CASH EQUIVALENTS

	As at 30 November 2011 \$	As at 30 November 2010 \$
Cash at hand	1,079,639	421
Deposits with group undertakings	150,553,192	151,727,365
	151,632,831	151,727,786

Relative Value Trading Limited

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NOTES TO THE FINANCIAL STATEMENTS (continued)

13 CURRENT TAXATION

	As at 30 November 2011 \$	As at 30 November 2010 \$
Group relief – Current tax asset	1,014,213	823,290

14 BORROWINGS

	As at 30 November 2011 \$	As at 30 November 2010 \$
Amounts due to parent undertaking – principal	1,885,500,000	125,000,000
Amounts due to parent undertaking – interest	10,000,398	5,979,905
	1,895,500,398	130,979,905

The borrowings represent a zero coupon promissory note and unsecured floating rate note issued by the Company

The zero coupon promissory note was issued with a subscription amount of \$125,000,000 and redemption amount of \$143,100,375. The maturity date of the promissory note is 10 March 2014. The note is repayable at the option of the borrower on any date prior to the maturity date, upon giving one business day's written notice to the lender, but the lender has no option to redeem the loan until maturity date.

On 15 November 2011 the Company issued an unsecured floating rate note with a subscription amount of \$1,760,500,000 and a maturity date of 26 November 2015. The note is repayable at the option of the borrower upon giving five business days' written notice to the lender, if the unsecured floating rate note held by the Company is redeemed. The lender has no option to redeem the loan until maturity date.

All the borrowings are with companies in the Barclays Group of which the Company is a member. The fair value of the Company's borrowings as at 30 November 2011 is \$1,863,040,108 (2010 \$137,992,084).

Additional details in respect of the Company's borrowings are detailed in note 18.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

15. CALLED UP SHARE CAPITAL

	Number of shares	Ordinary shares \$	Total \$
As at 1 December 2010	25,000,100	25,000,100	25,000,100
Shares issued	-	-	-
As at 30 November 2011	25,000,100	25,000,100	25,000,100

	2011 \$	2010 \$
Authorised, allotted and fully paid 25,000,100 Ordinary shares of \$1 each	25,000,100	25,000,100

The holders of the ordinary shares are entitled to vote at the general meetings of the Company and are entitled to receive such dividends as directors may declare. The ordinary shares are not redeemable. The holders of the ordinary shares are entitled to participate in the distribution of any surplus assets of the Company.

16. RECONCILIATION OF OPERATING LOSS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Year ended 30 November 2011 \$	Year ended 30 November 2010 \$
Loss for the year before taxation	(4,427,285)	(2,966,927)
Interest receivable and similar income	(1,868,083)	(412,504)
Interest payable and similar charges	5,435,047	3,342,765
Decrease/(increase) in loans and receivables	-	16,832,832
(Decrease)/Increase in other liabilities	(263,333)	36,666
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	(1,123,654)	16,832,832

17. ULTIMATE HOLDING COMPANY

Relative Value Investments UK LLP is the parent undertaking and controlling party. The parent undertaking of the smallest group that presents consolidated financial statements 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. Barclays Bank PLC's and Barclays PLC's statutory accounts are available for public use from Barclays Corporate Secretariat, 1 Churchill Place, London E14 5HP.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

18 FINANCIAL RISKS

The Company's activities expose it to a variety of financial risks. These are liquidity risk, credit risk and market risk (which includes foreign currency risk, interest rate risk and price risk).

The Company's directors are required to follow the requirements of the Barclays Group risk management policies. The policies include specific guidelines on the management of foreign exchange, interest rate and credit risks, and advise on the use of financial instruments to manage them. The Company seeks to minimize its exposure to liquidity, credit and market risk by applying these policies, and monitors exposures on a portfolio basis.

Liquidity risk

This is the risk that the Company's cash and committed facilities may be insufficient to meet its debts as they fall due. The Company seeks to match the cash flow profile of its assets and liabilities to ensure that it has sufficient funds to make payments when they fall due. These are designed to ensure the Company has sufficient available funds for operations and planned expansion.

The table below shows the maturity of financial liabilities the company is exposed to, and the undiscounted contractual maturity of the liabilities it faces.

As at 30 November 2011:	Other liabilities \$	Borrowings \$	Total \$
Financial liabilities repayable,			
- not more than three months	-	13,064,621	13,064,621
- over three months but not more than six months	-	13,134,168	13,134,168
- over six months but not more than one year	-	25,751,120	25,751,120
- more than one year but less than five years	-	2,083,529,721	2,083,529,721
Total	-	2,135,479,630	2,135,479,630

As at 30 November 2010:	Other liabilities \$	Borrowings \$	Total \$
Financial liabilities repayable,			
- not more than three months	263,333	-	263,333
- more than one year but less than five years	-	143,100,375	143,100,375
Total	263,333	143,100,375	143,363,708

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NOTES TO THE FINANCIAL STATEMENTS (continued)

18 FINANCIAL RISKS (continued)

Credit risk

Credit risk is the risk of suffering financial loss, should any of the Company's customers or market counterparties fail to fulfill their contractual obligations to the Company. The Company manages its credit risk by contracting with entities within the Barclays Group. The Company's assets are neither past due or impaired.

The Company's maximum exposure to credit risk is detailed in the table below. The exposure reported in the table represents the gross receivable amounts and not the fair value. The exposure is reported gross and does not include any collateral or other credit risk mitigants which reduce the Company's exposure.

As at 30 November 2011

	Loans and advances	Cash and cash equivalents	Group relief	Total
	\$	\$	\$	\$
Carrying value	1,760,935,969	151,632,831	1,014,213	1,913,583,013

As at 30 November 2010

	Loans and advances	Cash and cash equivalents	Group relief	Total
	\$	\$	\$	\$
Carrying value	-	151,727,786	823,290	152,551,076

The Company does not hold any collateral as security.

The table below describes the Company's credit exposure by industry type.

As at 30 November 2011

	Loans and advances	Cash and cash equivalents	Group relief	Total
	\$	\$	\$	\$
Financial Institutions	1,760,935,969	151,632,831	1,014,213	1,913,583,013

As at 30 November 2010

	Loans and advances	Cash and cash equivalents	Group relief	Total
	\$	\$	\$	\$
Financial Institutions	-	151,727,786	823,290	152,551,076

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NOTES TO THE FINANCIAL STATEMENTS (continued)

18 FINANCIAL RISKS (continued)

Market risk

Market risk is the risk that the Company's earnings or capital, or its ability to meet business objectives will be adversely affected by changes in the level or volatility of market rates or prices such as interest rates, equity prices and foreign exchange rates

Interest rate risk

Interest rate risk is the possibility that changes in interest rates will result in higher financing costs and/or reduced income from the Company's interest bearing financial assets and liabilities. The Company's interest rate risk arises from interest on its loans and receivables and borrowings

Interest rate sensitivity analysis

The sensitivity of the income statement is the effect of assumed changes in interest rates on the net interest income for one period, based on the floating rate non-trading financial assets and financial liabilities held at 30 November 2011, including the effect of hedging instruments. The Company has short term floating rate non-trading net financial assets of \$150,553,192 (2010 \$151,727,365)

Impact on net interest income

The Company has considered the effect on interest of a 100 basis points change. This analysis has been performed by applying a 100 basis point change to the outstanding principal of the net interest bearing positions at the period end. The impact would be as follows

	+100 basis points 2011	-100 basis points 2011	+100 basis points 2010	-100 basis points 2010
Total	1,505,532	(1,505,532)	1,517,274	(1,517,274)
As a percentage of net interest income	(47%)	47%	(46%)	46%

Foreign currency risk

The Company has no balances in foreign currencies and is not exposed to foreign currency risk

Price risk

Price risk is the risk that market prices for the Company's investment securities measured at fair value may fall. The Company is not exposed to price risks

19. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the party in making financial or operational decisions, or one other party controls both

The definition of related parties includes parent company, ultimate parent company, subsidiary, associated and joint venture companies, as well as the Company's key management which includes its Directors

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NOTES TO THE FINANCIAL STATEMENTS (continued)

19 RELATED PARTY TRANSACTIONS

Relative Value Investments UK LLP is the parent undertaking and controlling party. During the period there have been no other transactions with related parties other than transactions disclosed in notes 4, 5, 6, 11, 12, 13 and 14.

20 CAPITAL MANAGEMENT

The Company is required to follow the risk management policies of Barclays Bank PLC, its ultimate parent, which include guidelines covering capital management. The capital management objectives and policies for Barclays Bank PLC can be found in its financial statements.

The Company's objectives when managing capital are:

- To safeguard the Company's ability to continue as a going concern
- To maintain an optimal capital structure in order to reduce the cost of capital

The board of Directors is responsible for capital management and ensures that the Company operates within the Barclays Group risk framework.

Total capital of the Company is as follows:

	As at 30 November 2011	As at 30 November 2010
	\$	\$
Called up share capital	25,000,100	25,000,100
Retained earnings	(6,917,485)	(3,692,262)
Total capital resources	18,082,615	21,307,838

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

21. CONTINGENT LIABILITIES AND COMMITMENTS

The following table summarises the nominal principal amount of contingent liabilities and commitments which are not recorded on balance sheet:

	As at 30 November 2011	As at 30 November 2010
	\$	\$
Guarantees	150,113,826	-

Guarantees are given as security to support the performance of a group undertaking to Barclays Bank plc. The main types of guarantees provided are financial guarantees given to Barclays Bank plc to secure loans. As the Company will only be required to meet these obligations in the event of the affiliate's default, the cash requirements of these instruments are expected to be considerably below their nominal amounts.

22 POST BALANCE SHEET EVENTS

There were no significant events after the balance sheet date.