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LOXLEY INVESTMENTS LIMITED

Report and Financial Statements

For the period from 20 August 2010 to 31 December 2011

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COMPANIES HOUSE

REGISTERED NUMBER (CAYMAN): WK127159

REGISTERED NUMBER IN ENGLAND AND WALES: FC024755

LOXLEY INVESTMENTS LIMITED

(REGISTERED NUMBER IN ENGLAND AND WALES FC024755)

DIRECTORS' REPORT

For the period from 20 August 2010 to 31 December 2011

The directors present their report together with the audited financial statements for the period from 20 August 2010 to 31 December 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 expected, but the directors expect the company's performance to change significantly in future periods due to the settlement of various balance sheet positions.

The directors have reviewed the Company's business and performance and consider it to be satisfactory 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 (KPIs) is not necessary for an understanding of the development, performance or position of the business.

Results and dividends

During the period the Company made a loss after taxation of CAD\$ 10,559,431 (period from 1 January 2010 to 19 August 2010 profit after taxation CAD\$ 3,822,289). No dividend is recommended in respect of the ordinary shares (period from 1 January 2010 to 19 August 2010 Nil). The Company paid dividends of CAD\$ 226,108,439 (period from 1 January 2010 to 19 August 2010 CAD\$ 121,622,882) on the redeemable B preference shares for the period. The directors consider that the performance of the Company has been satisfactory during the period.

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:

B Ferry
B Hill (appointed on 17 May 2011)
D Cook
R Stokes

Derivatives and financial instruments

The Company's directors are required to follow the requirements of the Barclays Group risk management policies, which include specific guidelines on the management of foreign exchange, credit and interest rate risks and 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 for the year ended 31 December 2011 (see note 16). The exposure of the company to foreign exchange and interest rate risk is set out in note 14.

Change in year end date

During the period under review the directors decided to change the financial year end to 31 December. This was done to align the company's year end with that of its holding company, Shooters Grove Holdings Limited.

LOXLEY INVESTMENTS LIMITED

(REGISTERED NUMBER IN ENGLAND AND WALES FC024755)

DIRECTORS' REPORT (continued)

For the period from 20 August 2010 to 31 December 2011

Directors' third party indemnities

Qualifying third-party indemnity provisions were in force during the course of the financial period from 20 August 2010 to 31 December 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 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 judgements 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, as applicable to overseas companies. 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, each director in office at the date the directors' report is approved, confirms that

(b) 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"

LOXLEY INVESTMENTS LIMITED

(REGISTERED NUMBER IN ENGLAND AND WALES FC024755)

DIRECTORS' REPORT (continued)

For the period from 20 August 2010 to 31 December 2011

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 Ben Ferry

For and on behalf of

Loxley Investments Limited

Date 04 July 2012

LOXLEY INVESTMENTS LIMITED

(REGISTERED NUMBER IN ENGLAND AND WALES FC024755)

INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF LOXLEY INVESTMENTS LIMITED

We have audited the financial statements of Loxley Investments Limited from 20 August 2010 to 31 December 2011 which comprise the Balance Sheet, the Profit and Loss Account and the related notes. The financial reporting framework that has been applied in the preparation is United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of the directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements in accordance with the United Kingdom Companies Act 2006 as applicable to overseas companies 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 opinion, has been prepared for and only for the directors to meet their stewardship obligations and fiduciary responsibilities in respect of the company under the United Kingdom Companies Act 2006 as applicable to overseas companies, and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come including without limitation under any contractual obligations of the company, save where expressly agreed by our prior consent in writing.

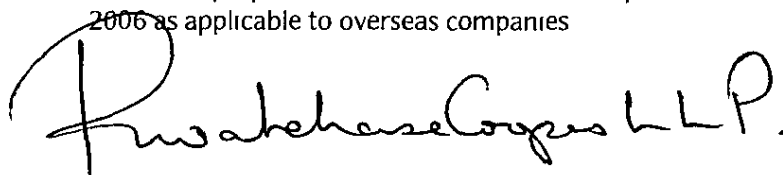
Scope of the audit of the financial statements

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 31 December 2011 and of its loss and cash flows for the year then ended, and
- 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 as applicable to overseas companies.



PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom

Date 9 July 2012

LOXLEY INVESTMENTS LIMITED

(REGISTERED NUMBER IN ENGLAND AND WALES FC024755)

PROFIT AND LOSS ACCOUNT**FOR THE PERIOD FROM 20 August 2010 to 31 December 2011**

	Notes	Period from 20 August 2010 to 31 December 2011 CAD\$	Period from 1 January 2010 to 19 August 2010 CAD\$
Other income		43,362	8,752
Gain from share restructure	4	170,079,832	-
Write off of interest expense	4	96,061	-
Operating profit		<u>170,219,255</u>	<u>8,752</u>
Interest receivable and similar income	5	62,086,144	181,805,066
Interest payable and similar charges	6	(226,108,439)	(121,662,882)
Profit on ordinary activities before taxation	7	<u>6,196,960</u>	<u>60,150,936</u>
Tax on profit on ordinary activities	8	(16,756,391)	(56,328,647)
(Loss)/profit on ordinary activities after taxation		<u>(10,559,431)</u>	<u>3,822,289</u>

All recognised gains and losses are included in the profit and loss account. Operating profit is derived from continuing activities. There is no difference between the results disclosed in the profit and loss account and the results on an unmodified historical cost basis. The notes 1 to 16 to the accounts form an integral part of these financial statements.

LOXLEY INVESTMENTS LIMITED

(REGISTERED NUMBER IN ENGLAND AND WALES FC024755)

BALANCE SHEET AS AT 31 DECEMBER 2011

	Notes	31 December 2011 CAD\$	19 August 2010 CAD\$
FIXED ASSET INVESTMENTS	9	2,928,973	2,936,835
CURRENT ASSETS			
DEBTORS Amounts falling due within one year	10	4,023,755,049	4,000,120,199
Cash at bank and in hand		-	46,481,393
CREDITORS Amounts falling due within one year	11	(14,769,572)	(4,028,064,546)
NET CURRENT ASSETS		4,008,985,477	18,537,046
TOTAL ASSETS LESS CURRENT LIABILITIES		4,011,914,450	21,473,881
NET ASSETS		4,011,914,450	21,473,881
CAPITAL AND RESERVES			
Equity share capital	12	4,003,000,000	2,000,000
Profit and loss account		8,914,450	19,473,881
TOTAL SHAREHOLDERS' FUNDS	13	4,011,914,450	21,473,881

A reconciliation of movement in shareholders' funds is given in note 13

The notes 1 to 16 form an integral part of these financial statements

The financial statements were approved by the Board of Directors and authorised for issue on 04 July 2012 and were signed on its behalf by



Director
Name Ben Ferry
Date 04 July 2012

LOXLEY INVESTMENTS LIMITED

(REGISTERED NUMBER IN ENGLAND AND WALES FC024755)

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

Overseas company

The financial statements have been prepared in accordance with the Companies Act 2006 applicable to overseas companies. The Company has taken advantage of the modifications and exemptions from disclosure that are set out in the Overseas Companies (Accounts) (Modifications and Exemptions) Order 1990

Revenue recognition

Interest income and expense is recognised on an accruals basis, including the dividends payable on the preference shares

Foreign exchange

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

Taxation

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

Investments

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

Issued debt and equity securities

The Company adopts the requirements of 'Financial Reporting Standard 25 'Financial instruments: Disclosure and Presentation' (FRS25). The liability in respect of the Class B and C redeemable preference shares issued by the Company has been classified as creditors falling due within one period. The discretionary nature of redeemable preference share distributions results in them being classified as dividends paid in accordance with FRS 25.

LOXLEY INVESTMENTS LIMITED

(REGISTERED NUMBER IN ENGLAND AND WALES FC024755)

NOTES TO THE FINANCIAL STATEMENTS (continued)

1 ACCOUNTING POLICIES (continued)

Derivative financial instruments

The Company is a party to financial instruments that reduce exposure to fluctuations in foreign currency exchange rates. These instruments comprise cross currency contracts and foreign exchange forward contracts. The purpose of these instruments is to reduce currency risk.

Derivative financial instruments are accounted for on an accruals basis in line with the underlying assets or liabilities. Income and expense recognised in the same line in the profit and loss account as the underlying asset or liability.

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 the period from 20 August 2010 to 31 December 2011 (period from 1 January 2010 to 19 August 2010 Nil).

4. INCOME FROM SHARE RESTRUCTURE

On 18 November 2011, the Company underwent a share restructuring to convert all its issued shares into ordinary shares. As part of the share restructuring, a gain from the extinguishment of preference shares was recognised for the amount of CAD\$ 170,079,832. Following the share restructuring, the Company wrote off the amount of dividend payable from the B shares amounting to CAD\$ 96,061.

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	Period from 20 August 2010 to 31 December 2011 CAD\$	Period from 1 January 2010 to 19 August 2010 CAD\$
Interest receivable from fixed asset investments	220,414	180,875,884
Other interest receivable	61,865,730	929,182
	<u>62,086,144</u>	<u>181,805,066</u>

LOXLEY INVESTMENTS LIMITED

(REGISTERED NUMBER IN ENGLAND AND WALES FC024755)

NOTES TO THE FINANCIAL STATEMENTS (continued)**6 INTEREST PAYABLE AND SIMILAR CHARGES**

	Period from 20 August 2010 to 31 December 2011 CAD\$	Period from 1 January 2010 to 19 August 2010 CAD\$
Dividends paid and accrued on preference shares	226,108,439	121,662,882
	<u>226,108,439</u>	<u>121,662,882</u>

7 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

There were no employees employed by the Company during 2011 and 2010. 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 CAD\$ 6,086 (period from 1 January 2010 to 19 August 2010 CAD\$ 6,487) for the period. This fee is not recognised as an expense in the financial statements.

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	Period from 20 August 2010 to 31 December 2011 CAD\$	Period from 1 January 2010 to 19 August 2010 CAD\$
United Kingdom Corporation taxation	16,712,837	48,941,023
Overseas tax	-	7,024,450
Prior year adjustment	-	(39,668)
Foreign exchange current period	43,554	402,842
	<u>16,756,391</u>	<u>56,328,647</u>

The UK corporation tax charge is based on the blended UK corporation tax rate of 26.9% (2010 28%) arising from the change in the UK corporation tax rate to 26% from 28%, effective from 1 April 2011.

The effective tax rate is higher (1 January 2010 to 19 August 2010 higher) than the standard tax rate as a result of foreign exchange, write off of interest expense and non-deductible preference share dividends. These differences are explained below.

LOXLEY INVESTMENTS LIMITED

(REGISTERED NUMBER IN ENGLAND AND WALES FC024755)

NOTES TO THE FINANCIAL STATEMENTS (continued)**8 TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)**

	Period from 20 August 2010 to 31 December 2011 CAD\$	Period from 1 January 2010 to 19 August 2010 CAD\$
Profit on ordinary activities before taxation	6,196,960	60,150,936
Profit on ordinary activities multiplied by blended rate of corporation tax in the UK of 26.9% (1 January 2010 to 19 August 2010 28%)	1,666,982	16,842,262
Effects of		
Overseas tax suffered	-	7,024,450
Relief for overseas tax suffered	-	(1,966,846)
Foreign exchange	43,554	402,842
Prior year adjustment	-	(39,668)
Write off of interest expense	(45,777,315)	-
Non-deductible preference share dividends	60,823,170	34,065,607
Current tax charge for the period	16,756,391	56,328,647

9. FIXED ASSET INVESTMENTS

	Government securities CAD\$
As at 20 August 2010	2,936,835
Amortisation of premium	(7,862)
As at 31 December 2011	2,928,973

The market value of the Canadian government securities at 31 December 2011 is CAD\$4,393,994 (1 January 2010 to 19 August 2010 CAD\$ 3,836,665)

LOXLEY INVESTMENTS LIMITED

(REGISTERED NUMBER IN ENGLAND AND WALES FC024755)

NOTES TO THE FINANCIAL STATEMENTS (continued)**10. DEBTORS Amounts falling due within one year**

	31 December 2011 CAD\$	19 August 2010 CAD\$
Cash at bank	8,410,460	-
Amounts owed by group undertakings	4,015,330,593	4,000,084,198
Accrued interest	13,996	36,001
	<u>4,023,755,049</u>	<u>4,000,120,199</u>

11. CREDITORS. Amounts falling due within one year

	31 December 2011 CAD\$	19 August 2010 CAD\$
Overdraft	-	6,271
Corporation tax	14,769,572	27,058,113
Dividends payable	-	162
Preference share liability	-	4,001,000,000
	<u>14,769,572</u>	<u>4,028,064,546</u>

The preference share liability falling due within one year represents 3278 cumulative redeemable "B" share of CAD\$ 1,000,000 each and 723 redeemable "C" shares of CAD\$ 1,000,000 each
On 18 November 2011, the Company carried out a share simplification exercise of re-designating these preference shares into CAD\$ ordinary shares of CAD\$ 1,000,000 each

LOXLEY INVESTMENTS LIMITED

(REGISTERED NUMBER IN ENGLAND AND WALES FC024755)

NOTES TO THE FINANCIAL STATEMENTS (continued)**12 CALLED UP SHARE CAPITAL**

	31 December 2011 CAD\$
Authorised:	
4,003 Ordinary Shares of CAD\$1,000,000 each	4,003,000,000
Allotted and fully paid	
4,003 Ordinary Shares of CAD\$1,000,000 each	4,003,000,000
	19 August 2010 CAD\$
Authorised:	
2 Ordinary "A" Shares of CAD\$1,000,000 each	2,000,000
Allotted and fully paid.	
2 Ordinary "A" Shares of CAD\$1,000,000 each	2,000,000

On 18 November 2011, the Company carried out a share simplification exercise of re-designating the "A" shares, cumulative redeemable "B" shares and redeemable "C" shares into CAD ordinary shares of CAD\$ 1,000,000 each

The 4,003 issued Ordinary Shares carry 100% of the voting rights in the Company

13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	31 December 2011 CAD\$	19 August 2010 CAD\$
(Loss)/profit for the period	(10,559,431)	3,822,289
(Decrease)/increase in shareholders' funds	(10,559,431)	3,822,289
Share restructuring	4,001,000,000	-
Opening shareholders' funds	21,473,881	17,651,592
Closing shareholders' funds	4,011,914,450	21,473,881

LOXLEY INVESTMENTS LIMITED

(REGISTERED NUMBER IN ENGLAND AND WALES FC024755)

NOTES TO THE FINANCIAL STATEMENTS (continued)

14 DERIVATIVES AND FINANCIAL INSTRUMENTS

As at 19 August 2010, the Company had entered into forward exchange contracts to receive £20,108,968 and to pay CAD\$ 31,822,676 with expiry dates ranging from 14 October 2010 to 14 January 2011. The Company is also exposed to exchange rate risk caused by mis-match in the currencies of the Company's assets and liabilities.

In order to hedge the interest rate mismatch, the Company entered into several other forward exchange contracts to pay/receive Canadian dollars and to receive/pay Sterling pound. These contracts have all expired as of period end.

The fair value of the Company's derivatives positions are given below:

	31 December 2011 CAD\$	19 August 2010 CAD\$
Fair value of forward currency exchange contracts	-	900,816
	<u>-</u>	<u>900,816</u>

15 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.

16. PARENT UNDERTAKING AND ULTIMATE PARENT 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 at 1 Churchill Place, London E14 5HP.