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IRIS INVESTMENTS 1 LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
For the year ended 24 January 2016



REGISTERED NUMBER (England & Wales): FC025358
REGISTERED NUMBER (Cayman Islands): MC 136596

IRIS INVESTMENTS 1 LIMITED
REGISTERED NUMBER (England & Wales): FC025358

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IRIS INVESTMENTS 1 LIMITED

REGISTERED NUMBER (England & Wales): FC025358

DIRECTORS' REPORT

For the year ended 24 January 2016

The Directors present their annual report together with the audited financial statements of Iris Investments 1 Limited (the 'Company') for the year ended 24 January 2016.

Profits and Dividends

During the year the Company made a profit after taxation of \$4,984,272 (2015: profit of \$2,154,456). The Directors paid preference share dividends during the year totaling \$6,697,686 (2015: \$20,466,778), and paid ordinary dividends during the year of \$5,034 (2015: nil) and discretionary dividends of \$7,948,337.

Post balance sheet events

The Company was released from its Guarantee obligation to Hamar Investment Limited in February 2016. The detail is included in the accompanying note 21 to financial statements.

Directors

The Directors of the Company, who served during the year and up to the date of signing the financial statements, are as shown below:

E Khairov (Resigned 16 March 2015)
CP Le Neve Foster
C Senior
A Jordanov

Since the year end, Patrick B Voisey and Vishal Shah were appointed as Directors on 16 March 2016 and 26 September 2016, respectively and A Jordanov resigned on 23 September 2016.

Going concern

After reviewing the Company's performance projections, the available banking facilities and taking into account the support available from Barclays Bank PLC, the directors are satisfied that the Company has adequate access to resources to enable it 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 the financial statements.

Statement of Directors' responsibilities

The following statement, which should be read in conjunction with the Auditors' report set out on page 5 is made with a view to distinguishing for shareholders the respective responsibilities of the Directors and of the Auditors in relation to the accounts.

The Directors are required by the Companies Act 2006 as applicable to overseas companies to prepare accounts for each financial year. The Directors have prepared the accounts in accordance with International Financial Reporting Standards ('IFRS') to present fairly the financial position of the Company and the performance for that period. The Companies Act 2006 provides, in relation to such accounts, that

IRIS INVESTMENTS 1 LIMITED

REGISTERED NUMBER (England & Wales): FC025358

DIRECTORS' REPORT

For the year ended 24 January 2016 (continued)

references to accounts giving a true and fair view are references to fair presentation.

The Directors consider that in preparing the financial statements on pages 7 and 20:

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

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

Financial instruments

Barclays financial risk management objectives and policies, which are followed by the Company, including the policy for hedging each major type of forecasted transaction for which hedge accounting is used, and the exposure to market risk, credit risk and liquidity risk are set out in the note 'Financial Risks' in the Barclays Plc annual report.

Directors third party indemnity provisions

Qualifying third party indemnity provisions were in force during the course of the financial year ended 24 January 2016 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.

Independent auditors

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

Statement of disclosure of information to auditors

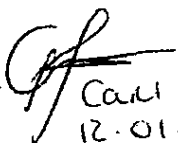
So far as the Directors are aware, there is no relevant audit information of which the Company's Auditors are unaware. The Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

BY ORDER OF THE BOARD

Name

Director

Date


Carl Senior
12.01.2017

IRIS INVESTMENTS 1 LIMITED

REGISTERED NUMBER (England & Wales): FC025358

STRATEGIC REPORT

For the year ended 24 January 2016

Review and principal activities

The principal activity of Iris Investments 1 Limited (the 'Company') is to act as an investment company.

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.

Business performance

The results of the Company show a profit before tax for the year of \$7,589,118 (2015: profit before tax 4,305,966). The Company has total assets and liabilities at the end of the year of \$315,162,712 and (\$314,083,185) respectively (2015: total assets and liabilities of \$817,851,053 and (\$813,802,427)).

Future outlook

No significant change in activity is envisaged in the foreseeable future and the directors expect the company's performance to be profitable.

Principal risks and uncertainties

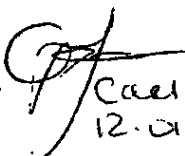
From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the group and are not managed separately. Accordingly, the principal risks and uncertainties of Barclays PLC, which include those of the Company, are discussed in Barclays PLC annual report which does not form part of this report.

Key performance indicators

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.

BY ORDER OF THE BOARD

Name
Director
Date


Cael Senior
12.01.2017

Independent auditors' report to the directors of Iris Investments 1 Limited

Report on the financial statements

In our opinion, Iris Investments 1 Limited's financial statements (the "financial statements") for the year ended 24 January 2016:

- have been properly prepared, in all material respects, in accordance with the basis of preparation in notes 2 and 3 and accounting policies in note 4 to the financial statements; and
- have been prepared in accordance with the requirements of the United Kingdom Companies Act 2006 as applicable to overseas companies.

Iris Investments 1 Limited's financial statements comprise:

- the Balance Sheet as at 24 January 2016;
- the Income Statement and Statement of Comprehensive Income for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and the basis of preparation in notes 2 and 3 and accounting policies in note 4 to the financial statements.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Responsibilities for the financial statements and the audit

As explained more fully in the Statement of Directors' Responsibilities set out on pages 2 and 3, the directors are responsible for the preparation of the financial statements in accordance with the basis of preparation in notes 2 and 3 and accounting policies in note 4 to the financial statements.

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) ("ISAs (UK & 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 company's directors as a body for management purposes in accordance with our engagement letter dated 7 August 2015 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.

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants
London
13 January 2017

IRIS INVESTMENTS 1 LIMITED

REGISTERED NUMBER (England & Wales): FC025358

INCOME STATEMENT

For the year ended 24 January 2016

	Notes	2016 \$	2015 \$
Other operating (loss)/income		(30,945)	48,133
Operating (loss)/profit		<u>(30,945)</u>	<u>48,133</u>
Interest receivable and similar income	5	15,680,740	18,619,851
Interest payable and similar charges	6	(8,743,904)	(11,568,418)
Loss on derivatives	10	-	(3,641,302)
Dividend Income		683,227	847,702
Profit on ordinary activities before taxation	7	<u>7,589,118</u>	<u>4,305,966</u>
Taxation	11	(2,604,846)	(2,151,510)
Profit on ordinary activities after taxation		<u><u>4,984,272</u></u>	<u><u>2,154,456</u></u>

Profit or 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 form an integral part of these financial statements.

IRIS INVESTMENTS 1 LIMITED
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BALANCE SHEET AS AT 24 JANUARY 2016

	Notes	2016 \$	2015 \$
ASSETS			
NON-CURRENT ASSETS			
Investment in Subsidiaries	16	300,637,534	300,637,534
Loans and advances	12	-	469,169,252
		<u>300,637,534</u>	<u>769,806,786</u>
CURRENT ASSETS			
Cash at hand		3,535,584	1,943,228
Loans and Advances	12	10,989,594	46,101,039
		<u>14,525,178</u>	<u>48,044,267</u>
TOTAL ASSETS		<u>315,162,712</u>	<u>817,851,053</u>
CURRENT LIABILITIES			
Current tax liability	13	(3,028,061)	(2,873,231)
Borrowings		(311,055,124)	(310,929,196)
		<u>(314,083,185)</u>	<u>(313,802,427)</u>
NON-CURRENT LIABILITIES			
Borrowings	14	-	(500,000,000)
TOTAL LIABILITIES		<u>(314,083,185)</u>	<u>(813,802,427)</u>
NET ASSETS		<u>1,079,527</u>	<u>4,048,626</u>
CAPITAL AND RESERVES			
Called up share capital	15	400,000	400,000
Accumulated earnings	17	679,527	3,648,626
TOTAL EQUITY		<u>1,079,527</u>	<u>4,048,626</u>

IRIS INVESTMENTS 1 LIMITED

REGISTERED NUMBER (England & Wales): FC025358

BALANCE SHEET AS AT 24 JANUARY 2016 (Continued)

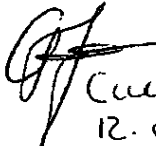
The accompanying notes form an integral part of these financial statements.

The financial statements were approved by the Board of Directors and authorized for issue on 12 January 2017 and were signed on its behalf by:

Director

Name:

Date:

 Cui Senise
12.01.2017

IRIS INVESTMENTS 1 LIMITED

REGISTERED NUMBER (England & Wales): FC025358

NOTES TO THE FINANCIAL STATEMENTS

1. REPORTING ENTITY

These financial statements are prepared for Iris Investments 1 Limited (the 'Company'), the principal activity of which is to act as an investment company. The financial statements are prepared for the Company only. The parent undertaking of the smallest group that presents consolidated financial statements is Barclays Bank PLC and the ultimate holding company and the parent undertaking of the largest group that presents group financial statements is Barclays PLC, Both of which prepare consolidated financial statements in accordance with International Financial Reporting Standards ('IFRS'), and accordingly consolidated financial statements have not been prepared.

Iris Investments 1 Limited is a limited company incorporated and domiciled in the Cayman Islands. The Company's registered office is:

PO Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

2. ACCOUNTING FRAMEWORK

The financial statements have been prepared in accordance with the Overseas Companies Regulations 2009 (SI 2009/1801) made under section 1049 of the Companies Act 2006 (the "Regulations"). The Company has applied Section 396 of the Companies Act 2006, as modified by the Regulations, in producing overseas companies individual financial statements.

The Company applies the measurement and recognition requirements of 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") and in accordance with the IFRSs and IFRIC interpretations as adopted by the European Union.

However, for presentation and disclosure purposes, the directors have adopted the requirements under the Regulations and selected disclosures under IFRS which the directors deem to be relevant in understanding its state of affairs. As a result, the following items which are required under IFRS are not included in these financial statements:

1. Statement of Changes in Equity;
2. Statement of Cash flows;
3. Capital Management note;
4. IFRS 7 Financial Instruments: Disclosures to the extent they are not relevant in assessing the Company's state of affairs;
5. IFRS 12 Disclosures of Interests in Other Entities; and
6. IFRS 13 Fair value measurement.

The preparation of these financial statements in conformity with the Regulations requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

IRIS INVESTMENTS 1 LIMITED

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. BASIS OF PREPERATION

The financial statements have been prepared on a going concern basis under the historical cost convention modified to include the fair valuation of certain financial instruments. They are stated in US dollars, which is the Company's functional and presentation currency.

4. 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.

Interest

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

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 (or expense), receivable (or payable) on the instrument in proportion to the amount outstanding over the period to maturity or repayment.

Interest on preference shares are accounted for under interest payables.

Fees and commissions

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

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 or under the terms of the relevant transaction. Trading results denominated in foreign currencies are translated into US dollars at average rates of exchange during the year unless a contracted rate applied. All exchange differences are included in the Income statement.

Loans and advances

Loans and advances are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They 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 assets net carrying value.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial liabilities

Financial liabilities are initially recognised at fair value including direct and incremental transaction costs. They are subsequently measured at amortised cost, except for trading liabilities and liabilities designated at fair value, which are held at fair value through profit or loss. Financial liabilities are derecognised when extinguished.

Interest, dividends, losses and gains relating to financial liabilities are recognised as income or expense in the income statement.

Guarantees

Financial guarantees are initially recognised in the financial statements at fair value on the date that the guarantee was provided. Subsequent to initial recognition, such guarantees are measured at the higher of the initial measurement less any amortisation of fee income recognised in the income statement over the period, and the best estimate of the expenditure required to settle any financial liability arising as a result of the obligation at the balance sheet date.

Borrowings / Debt securities in issue

Borrowings / debt securities entered into and debt securities issued by the Company 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.

The borrowings described in Note 14 issued by the Company have been classified as hybrid financial instruments in accordance with IAS 39 and are being split into debt and derivative components (subsequently terminated see note 10). The liability component of the borrowings has been amortised through the income statement as an interest expense on an effective yield basis.

Share capital

Share capital classified as equity, provided that there is no present obligation to deliver cash or another financial asset to the holder, is shown in called up share capital, and the costs associated with the issuance of shares are recorded as a deduction from equity.

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

IRIS INVESTMENTS 1 LIMITED

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Derivative financial instruments

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

Derivatives are measured at fair value on initial recognition and subsequently and the resulting gains and losses are taken to the income statement. The fair value of derivatives is generally determined by reference to open market prices or by calculating the expected cash flows under the terms of each specific contract, discounted back to their present value using an appropriate market based pricing model.

The Company is party to a promissory note which includes a fixed loan component and a bifurcated derivative component. The derivative component is accounted for as a derivative and is detailed in note 10; the fixed component is accounted for as a borrowing and is detailed in note 14.

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2016 \$	2015 \$
Interest receivable from group undertakings	15,680,740	18,619,851
	<u>15,680,740</u>	<u>18,619,851</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2016 \$	2015 \$
Interest payable to group undertakings	8,743,904	11,568,418
	<u>8,743,904</u>	<u>11,568,418</u>

IRIS INVESTMENTS 1 LIMITED

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

Lower interest payable during the year is driven by lower loan balances during the course of 2016 fiscal year compared to same period 2015. During the first quarter of the 2015 fiscal year the company had \$3.5B loan from BBPLC which matured 31 March 2014 and \$600M preference share liability to Verain Investments LLC of which \$300M were redeemed 26 March 2014.

7. PROFIT/ (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

The audit fee for the year is borne by another group company. The fee that would otherwise have been charged to the Company amounts to \$14,777 for the year (2015: \$15,998). This fee is not recognized 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 (2015: \$nil).

During the year none (2015: 0) directors exercised options under the Barclays PLC Sharesave Scheme and Long Term Incentive schemes.

9. STAFF COSTS

There were no employees employed by the Company during 2016 or 2015.

10. LOSS ON DERIVATIVES

	2016 \$	2015 \$
Embedded derivatives within promissory notes issued to group undertakings	-	2,058,524
Embedded derivatives within promissory notes issued to banks	-	(2,058,524)
Total return swaps with group undertakings	-	(291,302)
Loss on termination of embedded derivative within promissory notes issued to group undertakings	-	(3,350,000)
	<hr/>	<hr/>
	-	(3,641,302)

IRIS INVESTMENTS 1 LIMITED

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NOTES TO THE FINANCIAL STATEMENTS (Continued)**11. TAXATION**

	2016	2015
	\$	\$
United Kingdom:		
Current tax (expense) for the year	(2,604,846)	(2,151,510)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

A numerical reconciliation of the standard tax rate and the effective tax rate is as follows:

	2016	2015
	\$	\$
Profit on ordinary activities before taxation	7,589,118	4,305,966
Profit/(loss) on ordinary activities multiplied by blended rate of corporation tax in the UK of 20.18% (2015: 21.36%)	1,531,546	919,825
Non deductible interest expense on preference shares	1,377,056	1,654,684
Dividend received from subsidiary	(137,881)	(181,083)
Foreign exchange	(165,875)	(241,916)
Current tax expense / (income) for the year	2,604,846	2,151,510

The UK Corporation tax charge is based on a blended UK corporation tax rate of 20.18% (2015: 21.36%).

12. LOANS AND ADVANCES**NON CURRENT**

	2016	2015
	\$	\$
Amounts owed by group undertakings	-	469,169,252
	-	469,169,252

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NOTES TO THE FINANCIAL STATEMENTS (Continued)**CURRENT**

	2016	2015
	\$	\$
Amounts owed by group undertakings	10,989,594	46,101,039
	<u>10,989,594</u>	<u>46,101,039</u>

On 15 December 2015, the Company fully redeemed debt portfolios of \$263,810,175, \$205,359,077, and \$41,233,238 and \$4,867,200 interest carry forward was settled. On the same date a new deposit of \$10,938,773 was created.

Non-Current Loans and Advances

Holder	Notional	Maturity	Interest Rate
Barclays Bank PLC	\$10,989,594	3/9/2025	USD 3M Libor +3.41%

13. CURRENT LIABILITY

	2016	2015
	\$	\$
Group relief payable	(3,028,061)	(2,873,231)
	<u>(3,028,061)</u>	<u>(2,873,231)</u>

14. BORROWINGS**NON CURRENT**

	2016	2015
	\$	\$
Amounts due to group undertakings	-	500,000,000
	<u>-</u>	<u>500,000,000</u>

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NOTES TO THE FINANCIAL STATEMENTS (Continued)**CURRENT**

	2016 \$	2015 \$
Amounts due to group undertakings	-	
Preference shares issued	310,000,000	310,000,000
Accrued but unpaid dividends on preference shares	1,055,124	929,196
	<u>311,055,124</u>	<u>310,929,196</u>

On December 15, 2015 the Company made an early repayment of the external note issued to CIBC resulting in decrease of \$500 million in non current borrowings.

At 24 January 2016 the Company owed \$992,146 in accrued but unpaid dividends on the A preference shares and \$62,978 in accrued but unpaid dividends on the B preference shares.

All preference shares accrue interest at a fixed rate, and settlement of accrued dividend expense is discretionary. Preference share holders have no voting rights. During the year dividends of \$6,157,309 were paid on the A preference shares, and \$540,375 on the B preference shares. It also paid discretionary dividend of \$7,550,668 to Veraln Investments LLC and \$397,669 to Razzoli Investment Limited.

15. CALLED UP SHARE CAPITAL

	2016 \$	2015 \$
Authorised:		
Attributable to equity interests		
400,000 (2015: 400,000) Ordinary shares of \$1 each	400,000	400,000
Allotted and fully paid:		
400,000 (2015: 400,000) Ordinary shares of \$1 each	<u>400,000</u>	<u>400,000</u>

16. INVESTMENT IN SUBSIDIARIES

	2016 \$	2015 \$
Opening Balance:	300,637,534	3,590,553,837
Distributions from Barley Investments Limited	-	(3,005,021,363)

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

Distribution from distributable retained from Barley Investments Limited on B Ordinary shares	-	(284,877,698)
Distribution from distributable retained from Barley Investments Limited on A Ordinary shares	-	(17,239)
Disposal of Tungshan Investments Limited	-	(3)
Closing Balance:	<u>300,637,534</u>	<u>300,637,534</u>

Name of subsidiary	Country of incorporation or residence	Nature of business	Proportion of ownership held (%)	Proportion of voting power held (%)	Reporting Date
Barley Investments Limited	UK	Investment Company	100%	54%	31 December

17. ACCUMULATED EARNINGS/ (LOSSES)

	Accumulated earnings/ (Losses) \$
Opening Retained Earnings 25 January 2014	1,494,170
Net Profit	2,154,456
Retained Earnings 25 January 2015	3,648,626
Net Profit	4,984,272
Dividends paid to shareholders	<u>(7,953,371)</u>
As at 24 January 2016	679,527

18. CONTINGENT LIABILITIES AND COMMITMENTS

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

IRIS INVESTMENTS 1 LIMITED

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

	2016	2015
	\$	\$
Guarantees	271,810,175	401,810,175
	<u>271,810,175</u>	<u>401,810,175</u>

On 31 March 2014 the Company entered into a guarantee agreement with Barley Investments Limited that Razzoli Investments Limited would perform on Barley's \$263,810,175 loan to Razzoli Investments Limited. For its guarantee, the Company received \$10,000 fee income. The Company also entered into a guarantee agreement with BBPLC that Hamar Investments Limited would perform on BBPLC's 8,000,000 loan to Hamar Investments Limited. The fair value of all guarantees is \$0.

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, as well as the Company's key management which includes its Directors.

During the year there have been no other transactions with related parties other than transactions disclosed in the notes to the financial statements and cash in hand.

As at 24 January 2016, the Company held the following investments in related undertakings.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Name of subsidiary	Directly or Indirectly held by Pelleas	Registered Office Address	Country of Incorporation	Class of Shares	Number of Shares held	Proportion of ownership held (%)	Proportion of voting power held (%)	Details of other Shareholders
Barley Investments Limited	Indirectly held	5 The North Colonnade, E14 4BB	England and Wales	Ordinary – Class A	200,000	54.05%	0.006%	Keepier Investments Limited (45.95%)
Barley Investments Limited	Indirectly held	5 The North Colonnade, E14 4BB	England and Wales	Ordinary – Class B	300,000,000	100%	99.989%	n/a

IRIS INVESTMENTS 1 LIMITED

REGISTERED NUMBER (England & Wales): FC025358

NOTES TO THE FINANCIAL STATEMENTS (Continued)

20. PARENT UNDERTAKING AND ULTIMATE PARENT COMPANY

Barclays Bank PLC 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
NOTES TO THE FINANCIAL STATEMENTS (Continued)

holding company and the parent company of the largest group that presents group financial statements is Barclays PLC. Both companies are incorporated in Great Britain and registered in England. Barclays Bank PLC's and Barclays PLC's statutory financial statements are available for public use from the Barclays Corporate Secretariat, 1 Churchill Place, London E14 5HP.

21. POST BALANCE SHEET EVENTS

On 29 February 2016 the Company was released from its obligation to guarantee BBPLC's loan to Hamar Investment Limited.