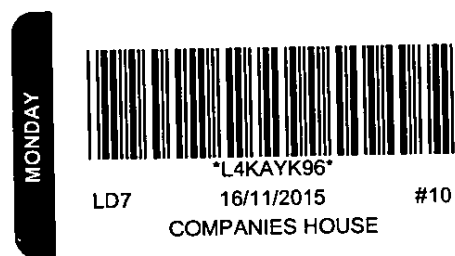


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IRIS INVESTMENTS 1 LIMITED

REPORT AND FINANCIAL STATEMENTS
For the year ended 24 January 2014



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

IRIS INVESTMENTS 1 LIMITED

REGISTERED NUMBER (England & Wales). FC025358

DIRECTORS' REPORT

For the year ended 24 January 2014

The directors present their report together with the audited financial statements for the year ended 24 January 2014

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 profitable going forward.

The directors have reviewed the Company's business and performance and consider it to be consistent with the activity for the year. The directors consider that the Company's position at the end of the year is consistent with the size and complexity of the business.

Given the nature of the business, the Company's directors are of the opinion that analysis using key performance indicators (KPIs) is not necessary for an understanding of the development, performance or position of the business.

Results and Dividends

During the year the Company made a loss after taxation of \$(18,789,472) (2013 profit of \$19,731,152). The directors paid preference share dividends during the year totaling \$309,811,154 (2013 \$9,943,192), and the directors did not recommend to pay ordinary dividends during the year (2013 nil), nor have there been any recommendations post balance sheet to date.

Post balance sheet events

Post balance sheet events are set out in note 21 of the financial statements.

Going concern

After reviewing the Company's performance and taking into account the likelihood of support 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.

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 advice 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 2013.

IRIS INVESTMENTS 1 LIMITED

REGISTERED NUMBER (England & Wales): FC025358

DIRECTORS REPORT (continued)

Directors

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

NR Brand (terminated 29 October 2014)

B Ferry (terminated 29 October 2014)

E Khairov

CP Le Neve Foster

C Senior (appointed 18 February 2014)

A Jordanov (appointed 30 October 2014)

Directors' Third-party Indemnity Provisions

Qualifying third party indemnity provisions were in force during the course of the financial year ended 24 January 2014 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

Statement of Directors' Responsibilities

The following statement, which should be read in conjunction with the Independent Auditors' Report, is made with a view to distinguishing for shareholders the respective responsibilities of the Directors and of the Auditors in relation to the financial statements

The Directors are required by the Companies Act 2006 as applicable to overseas companies to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss for the financial year

The Directors consider that in preparing the financial statements

- the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, 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, as applicable to overseas companies

The Directors in office as at the date of this report confirm that

- there is no relevant audit information of which the company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's Auditors are aware of that information

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities

IRIS INVESTMENTS 1 LIMITED


REGISTERED NUMBER (England & Wales) FC025358

DIRECTORS REPORT (continued)

Independent Auditors

The directors have appointed PricewaterhouseCoopers LLP as Auditors of the Company
PricewaterhouseCoopers LLP have indicated their willingness to continue in office

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to be 'G. Senior', written over the printed name.

Director

Name G Senior

Date 23 January 2015

For and on behalf of Iris Investments 1 Limited

IRIS INVESTMENTS 1 LIMITED

REGISTERED NUMBER (England & Wales) FC025358

STRATEGIC REPORT

Review and principal activities

The principal activity of 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 loss before tax for the year of \$(23,402,520) (2013 profit before tax 29,779,177). The Company has gross assets and liabilities at the end of the year of \$4,683,142,822 and (\$4,681,982,843) respectively (2013 gross assets and liabilities of \$7,773,727,425 and (\$7,753,777,974)).

Future outlook

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

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 the group's 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



Director

Name C Senior

Date 23 January 2015

For and on behalf of Iris Investments 1 Limited

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

Report on the financial statements

Our opinion

In our opinion, Iris Investments 1 Limited's financial statements (the "financial statements") for the year ended 24 January 2014

- have been properly prepared, in all material respects, in accordance with the basis of preparation and accounting policies in note 2 and note 3 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

What we have audited

Iris Investments 1 Limited's financial statements comprise

- the Balance Sheet as at 24 January 2014,
- the Income Statement 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 and accounting policies in note 2 and note 3 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

Our responsibilities and those of the directors

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 in accordance with the basis of preparation and accounting policies in note 2 to note 3 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 2014 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.

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

What we have done for you as auditors

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 UK

PricewaterhouseCoopers LLP
Chartered Accountants
London

26 January 2015

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

INCOME STATEMENT
For the year ended 24 January 2014

	Notes	2014 \$	2013 \$
Other operating income		50,000	80,000
Operating profit		<u>50,000</u>	<u>80,000</u>
Interest receivable and similar income	4	310,401,898	343,022,540
Interest payable and similar charges	5	(306,657,365)	(336,597,878)
Gain on financing activities due to foreign exchange differences		113,583,177	5,663,461
(Loss)/gain on derivatives	9	(140,781,023)	17,611,054
Breakage fee payable on derivatives	9	(7,998,509)	-
Dividend income		7,999,302	-
(Loss)/profit on ordinary activities before taxation	6	<u>(23,402,520)</u>	<u>29,779,177</u>
Taxation	10	4,613,048	(10,048,025)
(Loss)/profit on ordinary activities after taxation		<u>(18,789,472)</u>	<u>19,731,152</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
REGISTERED NUMBER (England & Wales) FC025358

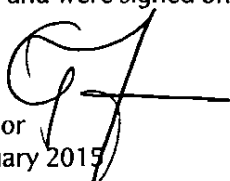
BALANCE SHEET AS AT 24 JANUARY 2014

	Notes	2014 \$	2013 \$
ASSETS			
NON-CURRENT ASSETS			
Investment in Subsidiary	16	3,590,533,837	3
Loans and advances	11	480,000,000	7,571,473,215
		<u>4,070,533,837</u>	<u>7,571,473,218</u>
CURRENT ASSETS			
Cash at hand		4,346,727	558,243
Loans and advances	11	601,101,735	52,601,153
Derivative financial instruments	12	7,160,523	149,094,811
		<u>612,608,985</u>	<u>202,254,207</u>
TOTAL ASSETS		<u>4,683,142,822</u>	<u>7,773,727,425</u>
CURRENT LIABILITIES			
Derivative financial instruments	12	(7,160,523)	-
Current tax liability	13	(1,862,262)	(10,060,949)
Borrowings	14	(4,172,960,058)	(19,053,782)
		<u>(4,181,982,843)</u>	<u>(29,114,731)</u>
NON-CURRENT LIABILITIES			
Borrowings	14	(500,000,000)	(7,724,663,243)
TOTAL LIABILITIES		<u>(4,681,982,843)</u>	<u>(7,753,777,974)</u>
NET ASSETS		<u>1,159,979</u>	<u>19,949,451</u>
CAPITAL AND RESERVES			
Called up share capital	15	400,000	400,000
Accumulated earnings (losses)	17	759,979	(165,952,338)
Gain on re-designation of preference shares	17	-	185,501,789
TOTAL EQUITY		<u>1,159,979</u>	<u>19,949,451</u>

The accompanying notes form an integral part of these financial statements

The financial statements were approved by the Board of Directors and authorised for issue on 23 January 2015 and were signed on its behalf by

Director
Name C Senior
Date 23 January 2015



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

NOTES TO THE FINANCIAL STATEMENTS

1 REPORTING ENTITY

The financial statements are prepared for Iris Investments 1 Limited (the "Company"). The principal activity of the Company is to act as an investment Company. The Company is a wholly owned subsidiary of Barclays Bank PLC. Barclays PLC prepares consolidated financial statements in accordance with IFRS, and accordingly consolidated financial statements have not been prepared for the Company.

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

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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.

Basis of preparation

The financial statements have been prepared 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.

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 (and expense) receivable (or payable) on the instrument 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.

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 asset's net carrying value.

IRIS INVESTMENTS 1 LIMITED

REGISTERED NUMBER (England & Wales): FC025358

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 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. 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.

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 12, the fixed component is accounted for as a borrowing and is detailed in note 14 and 15.

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	2014 \$	2013 \$
Interest receivable from group undertakings	310,401,898	343,022,540
	<u>310,401,898</u>	<u>343,022,540</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2014 \$	2013 \$
Interest payable to group undertakings	306,657,365	329,145,372
Interest payable to banks	-	7,452,506
	<u>306,657,365</u>	<u>336,597,878</u>

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. (LOSS)/PROFIT 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 \$10,300 for the year (2013 \$9,250). This fee is not recognised as an expense in the financial statements.

7. DIRECTORS' EMOLUMENTS

The directors did not receive any emoluments in respect of their services to the Company during the year (2013 \$nil).

8. STAFF COSTS

There were no employees employed by the Company during 2014 or 2013.

9. (LOSS)/GAIN ON DERIVATIVES

	2014 \$	2013 \$
Cross currency swaps with group undertakings	(140,781,023)	17,611,054
Embedded derivatives within promissory notes issued to group undertakings	39,872,050	19,165,717
Embedded derivatives within promissory notes issued to banks	6,810,700	1,487,700
Total return swaps with group undertakings	(46,682,750)	(20,653,417)
	<u>(140,781,023)</u>	<u>17,611,054</u>

On 16 December 2013 at the discretion of the Company, the Company early terminated 5 tranches of GBP USD cross currency swaps entered into with Tungshan Investments Limited at fair market value. As a result of the termination, the company also paid a breakage fee to Tungshan Investments Limited of \$7,998,509.

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. TAXATION

	2014 \$	2013 \$
United Kingdom		
Current tax income/(expense) for the year	4,613,048	(10,048,025)

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

	2014 \$	2013 \$
(Loss) / profit on ordinary activities before taxation	(23,402,520)	29,779,177
(Loss) / profit on ordinary activities multiplied by blended rate of corporation tax in the UK of 23.18% (2013 24.5%)	(5,425,013)	7,295,898
Non deductible interest expense on preference shares	39,135,137	40,693,242
Group relief claimed for nil consideration in relation to Class B&C preference shares	(36,399,398)	(37,913,508)
Dividend received from subsidiary	(1,854,344)	-
Foreign exchange	(69,430)	(27,607)
Current tax (income) / expense for the year	(4,613,048)	10,048,025

The UK Corporation tax charge is based on a blended UK corporation tax rate of 23.18% (2013 24.5%), arising from the change in the UK corporation tax rate from 24% to 23%, effective from 1 April 2013.

IRIS INVESTMENTS 1 LIMITED

REGISTERED NUMBER (England & Wales) FC025358

NOTES TO THE FINANCIAL STATEMENTS (Continued)**11. LOANS AND ADVANCES****NON CURRENT**

	2014	2013
	\$	\$
Amounts owed by group undertakings	480,000,000	7,571,473,215
	<u>480,000,000</u>	<u>7,571,473,215</u>

CURRENT

	2014	2013
	\$	\$
Amounts owed by group undertakings	601,101,735	52,601,153
	<u>601,101,735</u>	<u>52,601,153</u>

The non current loan represents an investment in a debt portfolio \$480,000,000 to BBPLC UK with maturity date 09 September 2022 with an interest rate of 3 month USD Libor plus a spread of 3.41%. Interest payments settle quarterly, and the instrument is breakable at par plus accrued interest on one day's notice at the request of either the holder or the issuer. The instrument above carried an accrued interest of \$1,948,187 at balance sheet date which is included in the current interest line.

Current loans and advances

Holder	Notional	Maturity	Interest Rate
BBPLC NY	441,550,000	3/31/2014	0.48%
BBPLC UK	120,203,000	3/9/2022	USD 3M Libor +3.41%
BBPLC UK	27,082,799	3/31/2014	USD 3M Libor
BBPLC UK	9,581,974	3/14/2014	USD 3M Libor

The above instruments carried accrued interest amounts totaling \$735,775 at balance sheet date.

On 16 December 2013 the Company redeemed two tranches of debt portfolio investments in BBPLC UK with principals of \$2,410,738,834 and \$58,450,000 at par plus accrued interest. There were no breakage costs on the transaction. The par values of the instruments redeemed were classified as non-current loans for the 24 January 2013 financial statements.

On 16 December 2013 the company redeemed all tranches of GBP loans issued to Tungshan Investments Limited with total principal of £2,097,296,999 at par plus accrued interest. There were no breakage costs on the transaction. The par values of the instruments redeemed were classified as non-current loans for the 24 January 2013 financial statements.

31 March 2014 the Company received the principal of \$120,203,000 and \$441,550,000 plus accrued interest from borrower, and this is disclosed in Note 21.

IRIS INVESTMENTS 1 LIMITED

REGISTERED NUMBER (England & Wales) FC025358

12. DERIVATIVE FINANCIAL INSTRUMENTS

The following table details the Company's derivative exposure as at the balance sheet date

Financial assets – derivative financial instruments

	2014 Nominal	2013 Nominal	2014 Fair value	2013 Fair value
Derivatives assets, held for trading				
Total return swaps	-	98,604,657	-	1,460,447
Cross currency swaps	-	3,305,221,363	-	144,656,421
Embedded derivatives on promissory notes	11,946,360	98,604,657	7,160,523	2,977,943

Financial liabilities – derivative financial instruments

	2014 Nominal	2013 Nominal	2014 Fair value	2013 Fair value
Derivatives liabilities, held for trading				
Total return swaps	11,946,360	-	7,160,523	-

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. CURRENT TAXATION

	2014	2013
	\$	\$
Group relief\ (payable)	(1,862,262)	(10,060,949)
	<u>(1,862,262)</u>	<u>(10,060,949)</u>

14. BORROWINGS

NON CURRENT

	2014	2013
	\$	\$
Amounts due to group undertakings	500,000,000	3,709,000,000
Preference shares issued	-	4,015,663,243
	<u>500,000,000</u>	<u>7,724,663,243</u>

CURRENT

	2014	2013
	\$	\$
Amounts due to group undertakings	3,547,950,125	19,053,782
Preference shares issued	610,000,000	-
Accrued but unpaid dividends on preference shares	15,009,933	-
	<u>4,172,960,058</u>	<u>19,053,782</u>

Non-current borrowings include a \$500,000,000 promissory note classified as hybrid financial instrument into debt and embedded derivative components, with stated terms below and quarterly settlements

Holder	Notional	Maturity	Interest Rate
Razzoli	500,000,000	30/10/2017	0.45%

On 28 January 2013 the Company repaid a \$750,000,000 deposit and accrued interest from BBPLC UK. On 16 December 2013, the Company repaid a promissory note issued to Barclays Capital Luxembourg Sarl with a principal amount of \$2,459,000,000 and accrued interest.

Current borrowings from group undertakings include the following instrument at balance sheet date

Holder	Notional	Maturity	Interest Rate
BBPLC UK	3,546,846,582	30/10/2017	3M USD Libor

The instrument above also carried an accrued interest amount of \$1,103,543 at balance sheet date.

IRIS INVESTMENTS 1 LIMITED

REGISTERED NUMBER (England & Wales) FC025358

NOTES TO THE FINANCIAL STATEMENTS (Continued)**14. Borrowings (continued)**

Post balance sheet date, on 31 March 2014 the Company repaid the principal \$3,546,846,582 plus accrued interest to the lender, and this is disclosed in Note 21

\$250,000 of amounts due to group undertakings represent accrued interest on the non-current borrowing issued from Razzoli

On 16 December 2013 the Company redeemed the majority of issued "B " preference shares and all of the issued "C" preference shares detailed below

	2014 \$	2013 \$
Allotted and fully paid:		
600,000,000 redeemable "A" preference shares of US\$0.01	6,000,000	6,000,000
600,000,000 redeemable "A" preference shares at a premium of US\$0.99	594,000,000	594,000,000
3,200,000,000 redeemable "B" preference shares of US\$0.01	100,000	32,000,000
3,200,000,000 redeemable "B" preference shares at a premium of US\$0.99	9,900,000	3,168,000,000
58,450,000,000 redeemable "C Senior" preference shares of US\$0.01	-	58,450,000
	<u>610,000,000</u>	<u>3,858,450,000</u>

At 24 January 2014 the Company also owed \$1,116,052 in accrued but unpaid dividends on the A preference shares and \$13,893,881 in accrued but unpaid dividends on the B preference shares

All preference shares accrue interest at a fixed rate, and settlement of accrued dividend is expense discretionary. Preference share holders have no voting rights. During the year dividends of \$12,021,432 were paid on the A preference shares, \$295,184,812 on the B preference shares, and \$2,604,910 on the C preference shares.

Post balance sheet date, on 31 March 2014 the Company redeemed 300,000,000 "A" preference shares of US\$0.01 and premium of US\$0.99 for \$300,000,000 and paid a dividend of \$3,386,914. This is disclosed in Note 22.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. CALLED UP SHARE CAPITAL

	2014 \$	2013 \$
Authorised		
Attributable to equity interests		
400,000 (2013 400,000) Ordinary shares of \$1 each	400,000	400,000
Allotted and fully paid		
400,000 (2013 400,000) Ordinary shares of \$1 each	400,000	400,000

16. INVESTMENT IN SUBSIDIARIES

	Investment in Subsidiaries \$
As at 24 January 2013	3
Additions	3,590,533,834
Disposals	-
24 January 2014	3,590,533,837

During the year Tungshan Investments Limited sold its holdings of Barley Investments Limited to the Company for fair value of \$3,590,533,834 consisting of 200,000 A ordinary shares and 3,305,021,363 B ordinary shares. On 16 December 2013 Tungshan distributed its retained earnings to the Company as a dividend for the amount of \$7,999,302. Tungshan Investments Limited is now in liquidation.

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%	100%	31 December
Tungshan Investments Limited	UK	Investment Company	100%	100%	31 December

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. ACCUMULATED EARNINGS/(LOSSES)

	Accumulated Earnings/ (Losses) \$
Opening losses as at 25 January 2012	(185,683,490)
Net profit	19,731,152
Additional gain through reserves	185,501,789
Retained earnings as at 25 January 2013	19,549,451
Net losses	(18,789,472)
As at 24 January 2014	<u>759,979</u>

Additional gain through reserves is represented by a reduction of the fair value of the Iris A senior preference shares of \$185,501,789 as they were re designated to B senior preference shares during the 08 March 2012 issuance of B senior preference shares. The Company recognised the gain through reserves during the 2013 accounting period.

18. CONTINGENT LIABILITIES AND COMMITMENTS

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

	2014 \$	2013 \$
Guarantees	480,000,000	5,518,203,000
	<u>480,000,000</u>	<u>5,518,203,000</u>

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 fair value of these guarantees is considered nil.

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 note 4, 5, 6, 7, 9, 10, 11, 12, 13, 14, 16, 17, 18, 19, 21 and cash in hand.

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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 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 31 March 2014, the Company received dividends of \$17,239 and \$284,877,698 from the Barley Investments Limited A and B ordinary shares, respectively. Additionally, the company received \$3,005,021,363 from Barley Investments Limited as part of a partial redemption of the B ordinary shares.

On 31 March 2014, the Company paid a dividend of \$13,996,851 on the class B senior preference shares to BBPLC UK, and a paid a dividend of \$3,470,177 on the class A junior preference shares to Verain Investments LLC. Additionally, the Company paid \$300,000,000 to Verain Investments LLC as part of a partial redemption of the A junior preference shares.

On 31 March the Company redeemed on debt portfolio investments of \$120,203,000 from BBPLC UK and \$441,550,000 plus accrued interest from BBPLC NY.

On 31 March 2014, the Company repaid a loan of \$3,546,846,582 plus accrued interest to BBPLC UK.

On 9 May 2014 the Company paid £804,487 as part of a group relief settlement.

On 16 September, the directors of Tugnsan Investments Limited declared a dividend of \$487,158 payable to the Company. On 17 September, the Company transferred its 2 ordinary shares of Tungshan Investments Limited to Hawkins Funding Limited for £2.