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**PRALOU INVESTMENTS LIMITED**

**Report and Financial Statements  
For the year ended 31 December 2010**

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COMPANIES HOUSE

**REGISTERED NUMBER (Cayman Islands): WK - 185711  
REGISTERED NUMBER (UK): FC 27646**

**PRALOU INVESTMENTS LIMITED**  
**REGISTERED NUMBER (ENGLAND AND WALES): FC027646**

**DIRECTORS' REPORT**

**For the year ended 31 December 2010**

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

**Change in accounting framework**

The financial statements have been prepared in accordance with the Overseas Companies Regulations 2009 (SI 2009/1081) 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 accounts

This is the first set of financial statements prepared by the Company in accordance with the Regulations

Previously the Company prepared its financial statements in accordance with International Financial Reporting Standards ("IFRSs") 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

The directors have changed the accounting framework following an internal assessment on preparing financial statements under IFRS The Directors concluded that preparation of financial statements under IFRSs entailed a disproportionate expense to the benefit arising Following this, the Directors elected to prepare accounts under the Regulations

**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 for the foreseeable future and the directors expect the Company's performance to be in line with the current year

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

**Results and dividends**

During the year ended 31 December 2010 the Company made a profit after tax of €95,830,757 (2009 €96,388,970) The directors paid ordinary dividends in relation to the year ended 31 December 2010 of €91,563,022 (2009 €95,464,856) and Class B preference share dividends of €Nil out of its distributable reserves (2009 €Nil) The company has net assets of €2,078,552,249 (2009 €2,074,284,831)

**PRALOU INVESTMENTS LIMITED**  
**REGISTERED NUMBER (ENGLAND AND WALES): FC027646**

**DIRECTORS' REPORT**  
**For the year ended 31 December 2010**

**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

E Edis	(resigned 7 May 2010)
GMF Brawn	(appointment 30 June 2010)
JEF Corswarem	
MGD Treharne	(appointment 30 June 2010)
N Abhat	(appointment 30 June 2010)
R Isman	(resigned 23 June 2010)

Since the year end, RJ Craine was appointed as a Director on 3 February 2011 and JEF Corswarem resigned as a Director on 7 March 2011

**Directors' third party indemnity provisions**

Qualifying third-party indemnity provisions were in force during the course of the financial year ended 31 December 2010 for the benefit of the then directors and, at the date of this report, are in force for the benefit of the directors in relation to certain losses and liabilities which they may incur (or have incurred) in connection with their duties/powers of office

**Statement of Directors' Responsibilities**

The following statement, which should be read in conjunction with the 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 judgments 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

**PRALOU INVESTMENTS LIMITED**  
**REGISTERED NUMBER (ENGLAND AND WALES) FC027646**

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

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

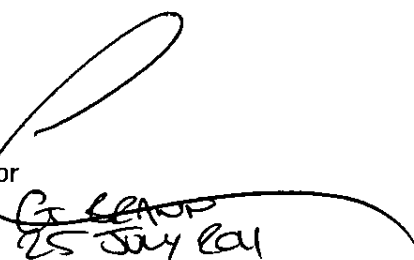
**Financial instruments**

The Company operates within the Barclays financial risk management objectives and policies. These include a policy for hedging each major type of forecasted transaction for which hedge accounting is used

**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   
Date 25 July 2011  
For and on behalf of Praloup Investments Limited

**PRALOU INVESTMENTS LIMITED**  
**REGISTERED NUMBER (ENGLAND AND WALES): FC027646**

**INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF PRALOU INVESTMENTS LIMITED**

We have audited the financial statements of Pralou Investments Limited for the year ended 31 December 2010 which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet and the related notes. These financial statements have been prepared on the basis of preparation and accounting policies set out in the notes to the financial statements.

**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 basis of preparation and accounting policies in notes 2 and 3 to the financial statements and the Companies Act 2006 as applicable to overseas companies. 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 for management purposes 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 for the year ended 31 December 2010 have been properly prepared, in all material respects, in accordance with

- the basis of preparation and accounting policies in notes 2 and 3 to the financial statements, and
- the Companies Act 2006 as applicable to overseas companies

**Basis of preparation**

Without modifying our opinion, we draw attention to note 2 to the financial statements which discloses the basis of preparation. The financial statements have been prepared for the directors for management purposes and may not be suitable for another purpose.

  
PricewaterhouseCoopers LLP  
Chartered Accountants  
London, United Kingdom  
Date 29 July 2011

**PRALOU INVESTMENTS LIMITED**  
**REGISTERED NUMBER (ENGLAND AND WALES): FC027646**

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

	Notes	2010 €	2009 €
<b>Continuing operations:</b>			
Interest receivable and similar income	4	96,202,386	97,011,976
Interest payable and similar charges		(1,276)	(476)
Net interest income		96,201,110	97,011,500
Other income		6,939	14,679
Profit on ordinary activities before taxation	5	96,208,049	97,026,179
Taxation	8	(377,292)	(637,209)
Profit for the year		95,830,757	96,388,970

Profit for the year is derived from continuing activities. The accompanying notes form an integral part of these financial statements.

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2010**

	2010 €	2009 €
<b>Profit for the year</b>	95,830,757	96,388,970
<b>Other comprehensive expense:</b>		
Fair value losses on available for sale assets	(441)	(10,404)
Tax credit relating to components of other comprehensive expense	124	2,913
<b>Other comprehensive expense for the year net of tax</b>	(317)	(7,491)
<b>Total comprehensive income for the year</b>	95,830,440	96,381,479

**PRALOU INVESTMENTS LIMITED**  
**REGISTERED NUMBER (ENGLAND AND WALES): FC027646**

**BALANCE SHEET AS AT 31 DECEMBER 2010**

	Notes	2010 €	2009 €
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment in preference shares of group undertaking	9	2,050,000,000	2,050,000,000
<b>Total non-current assets</b>		<b>2,050,000,000</b>	<b>2,050,000,000</b>
<b>Current assets</b>			
Cash at hand		779,992	524,790
Available-for-sale investments	10	2,039,446	2,092,137
Loans and advances	11	108,184,469	107,928,456
Other receivables	12	11,705,500	8,323,912
<b>Total current assets</b>		<b>122,709,407</b>	<b>118,869,295</b>
<b>TOTAL ASSETS</b>		<b>2,172,709,407</b>	<b>2,168,869,295</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Current tax		351,212	778,518
Borrowings	13	93,805,946	93,805,946
<b>TOTAL LIABILITIES</b>		<b>94,157,158</b>	<b>94,584,464</b>
<b>NET ASSETS</b>		<b>2,078,552,249</b>	<b>2,074,284,831</b>
<b>SHAREHOLDERS' EQUITY</b>			
Called up share capital	14	2,003	2,003
Share premium account	14	2,001,997,998	2,001,997,998
Other distributable reserves	15	59,000,000	59,000,000
Retained earnings	15	17,551,225	13,283,490
Available-for-sale reserves	15	1,023	1,340
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>2,078,552,249</b>	<b>2,074,284,831</b>

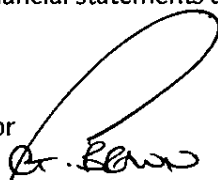
The accompanying notes form an integral part of these financial statements

The financial statements and accompanying notes were approved by the Board of Directors on 25 July 2011

Director

Name

Date

  
 G. Brown  
 25 JULY 2011

**PRALOU INVESTMENTS LIMITED**  
**REGISTERED NUMBER (ENGLAND AND WALES): FC027646**

**NOTES TO THE FINANCIAL STATEMENTS**

**1. REPORTING ENTITY**

The financial statements are prepared for Praloup Investments Limited (the "Company"), the principal activity of which is to act as an investment company. The Company is a wholly owned subsidiary of Barclays Darnay Euro Investments Limited and its ultimate parent Company is Barclays PLC. Barclays PLC prepares consolidated financial statements in accordance with IFRS. Praloup Investments Limited is a limited company incorporated in the Cayman Islands. The Company's registered office is:

Walkers House  
87 Mary Street  
George Town  
Grand Cayman  
KY-9002  
Cayman Islands

**2. ACCOUNTING FRAMEWORK**

The financial statements have been prepared in accordance with the Overseas Companies Regulations 2009 (SI 2009/1081) 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 accounts.

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.

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.

The Company has made full retrospective application of Section 396 as modified by SI 2009/1081 of Companies Act 2006 for presentation and disclosure purposes in its Financial Statements.



**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 applied consistently.

**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 Euros, which is the Company's functional and presentation currency.

**Revenue Recognition**

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

**Foreign Exchange**

Foreign currency transactions are translated into Euros using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities in foreign currencies are translated into Euros at rates of exchange ruling on the balance sheet date. All exchange gains and losses are recognised in the Profit and Loss Account.

**Interest**

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

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

**Taxation**

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

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

**Investment in preference shares of group undertaking**

Investments in preference shares of group undertakings 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 diminutions in the value of the investment, where there is objective evidence of impairment.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Available for sale investments**

Available for sale investments are non-derivative financial investments. They are initially recognised at fair value including direct and incremental transaction costs. They are subsequently held at fair value, and gains and losses arising from changes in fair value are included as a separate component of equity until sale or impairment when the cumulative gain or loss is transferred to the Profit and Loss Account. The assets are derecognised when the rights to receive cash flows have expired or the Company has transferred substantially all the risks and rewards of ownership.

**Loans and advances**

Loans and advances are recorded on balance sheet according to the substance of the contractual arrangement entered into. Loans and advances are initially recorded at fair value including direct and incremental transaction costs. They are subsequently valued at amortised cost, less any amounts that have been provided for to reflect impairment in the value of the investment, where there is objective evidence of impairment. Income is recognised in the Profit and Loss Account, 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.

**Borrowings**

Borrowings refer to redeemable preference shares issued by the Company and 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.

The redeemable preference shares issued by the Company have been classified as compound financial instruments in accordance with IAS 32 and are split into its debts and equity components.

**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.

**Dividends on ordinary and preference shares**

Dividends on ordinary and preference shares are recognised in equity in the period in which they are paid or, if earlier, approved by the Company's shareholder.

**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.

**PRALOU INVESTMENTS LIMITED**  
**REGISTERED NUMBER (ENGLAND AND WALES): FC027646**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**4. INTEREST RECEIVABLE AND SIMILAR INCOME**

	2010	2009
	€	€
Interest receivable from parent undertaking	1,188,451	1,942,772
Interest receivable from group undertakings	56,376	87,917
Dividends receivable on preference shares in group undertaking	94,944,611	94,944,611
Interest receivable – Gilt income	12,948	33,632
Other interest receivable	-	3,044
	<u>96,202,386</u>	<u>97,011,976</u>

**5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

The audit fee is borne by another group undertaking. Although the audit fee is borne by another group undertaking, the fee that would have been charged to the company amounts to €4,126 for the year (2009 €4,000). This fee is not recognised as an expense in the financial statements.

**6. DIRECTORS' EMOLUMENTS**

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

**7. STAFF COSTS**

There were no employees employed by the Company during 2010 or 2009.

**8. TAXATION**

	2010	2009
	€	€
UK corporation tax	377,292	637,209
Tax on profit on ordinary activities	<u>377,292</u>	<u>637,209</u>

The UK corporation tax charge is based on the UK corporation tax rate of 28% (2009 28%). The effective tax rate is lower than the standard tax rate as a result of non-taxable items and foreign exchange.

**PRALOU INVESTMENTS LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

The overall tax charge is explained in the following table

	2010 €	2009 €
Profit on ordinary activities before taxation	96,208,049	97,026,179
Profit on ordinary activities multiplied by a rate of corporation tax in the UK of 28% (2009 28%)	26,938,254	27,167,330
Effect of Non taxable dividend income	(26,584,491)	(26,584,491)
Foreign exchange	23,529	54,370
Tax charge	<u>377,292</u>	<u>637,209</u>

**9. INVESTMENT IN PREFERENCE SHARES OF GROUP UNDERTAKING**

Preference shares in group undertaking

	2010 €	2009 €
Balance brought forward	2,050,000,000	2,050,000,000
Balance carried forward	<u>2,050,000,000</u>	<u>2,050,000,000</u>

The investment in group undertaking represents 2,050 Class B fixed rate preference shares in Ballon Investments Limited ("Ballon") purchased for a subscription price of €1,000,000 each, being a par value of €1 and share premium of €999,999 per share. This amount represents 100% of the Class B preference share capital issued by Ballon.

Ballon is a Cayman Islands registered company and its principal activity is to act as an investment company.

The non redeemable preference shares are issued by a fellow group undertaking.

**10. AVAILABLE FOR SALE INVESTMENTS**

Debt securities

	2010 €	2009 €
Balance as at 1 January	2,092,137	2,069,676
Additions	2,028,601	2,074,067
Redemption	(2,033,000)	(2,000,000)
Amortisation of premium on acquisition	(18,985)	(30,042)
Movement in accrued interest	(28,866)	(11,160)
Revaluation deficit transferred to equity	(441)	(10,404)
Balance as at 31 December	<u>2,039,446</u>	<u>2,092,137</u>

**PRALOU INVESTMENTS LIMITED**  
**REGISTERED NUMBER (ENGLAND AND WALES): FC027646**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**11. LOANS AND ADVANCES**

	2010	2009
	€	€
Amounts due from parent undertakings		
-Principal	100,637,464	100,637,464
-Interest	369,499	75,180
Loans and advances to group undertakings		
-Principal	7,164,422	7,213,606
-Interest	13,084	2,206
	<u>108,184,469</u>	<u>107,928,456</u>

**12. OTHER RECEIVABLES**

	2010	2009
	€	€
Preference shares dividends receivable from group undertakings	11,705,500	8,323,912
	<u>11,705,500</u>	<u>8,323,912</u>

**13. BORROWINGS**

	2010	2009
	€	€
Class A preference shares	<u>93,805,946</u>	<u>93,805,946</u>
<b>Authorised.</b>		
100 Class A preference shares of €1 each	100	100
100 Class B preference shares of €1 each	100	100
<b>Allotted and fully paid:</b>		
100 Class A preference shares of €1 each	100	100
100 Class B preference shares of €1 each	100	100

**PRALOU INVESTMENTS LIMITED**  
**REGISTERED NUMBER (ENGLAND AND WALES): FC027646**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**13. BORROWINGS (continued)**

	2010 €	2009 €
<b>Share premium:</b>		
100 Class A preference shares of €999,999 each	99,999,900	99,999,900
100 Class B preference shares of €999,999 each	99,999,900	99,999,900
<b>Cumulative preference dividends paid:</b>		
Balance as at 1 January	(106,194,054)	(106,194,054)
Paid during the year		
Class A preference dividends	-	-
Class B preference dividends	-	-
Total cumulative dividends paid upto 31 December	(106,194,054)	(106,194,054)
<b>Net borrowings</b>	<b>93,805,946</b>	<b>93,805,946</b>

On the 7 May 2008 the Company increased its authorized share capital by the creation of 100 Class B preference shares of €1 00 each and the existing preference shares of €1 00 each were redesignated Class A preference shares of €1 00 each

On 8 May 2008 the Company issued 100 Class B preference shares to a third party at a subscription price of €1,000,000 per share

The holders of the Class A and B preference shares are not entitled to vote at the general meetings of the Company

On 11 August 2008, the Company paid contractual dividends of €58,650,472 on the Class B preference shares. In accordance with the terms of the preference shares, the contractual dividends when they are paid are treated in the accounts as repayments of capital with no associated expense being reported in the Profit and Loss Account or equity

After all contractual dividends are paid, the Class A and B preference shares pay a dividend determined by the unanimous consent of the Directors in their absolute discretion by reference to the funds of the Company lawfully available for distribution. Any such dividends are recognised in equity in the period in which a contractual obligation to make a payment arises

The Class A and B preference shares may be redeemed by either the Company or the holder at any time upon the serving of a redemption notice. On redemption, the holder will receive the initial par value of the preference shares, less contractual dividends paid

On a return of capital or a liquidation or otherwise, the holders of the Class A and B preference shares rank senior to the holders of the ordinary shares. The holders of the Class A and B preference shares are not entitled to participate in the distribution of any surplus assets

At the balance sheet date the Class A and B preferences shares were held by the Company's parent company

**PRALOU INVESTMENTS LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**14. CALLED UP SHARE CAPITAL**

	Number of shares	Ordinary shares €	Share premium €	Total €
As at 31 December 2009	2,003	2,003	2,001,997,998	2,002,000,001
As at 31 December 2010	2,003	2,003	2,001,997,998	2,002,000,001

	2010 €	2009 €
Authorised: 2,003 Ordinary shares of €1 each	2,003	2,003
Allotted and fully paid: 2,003 Ordinary shares of €1 each	2,003	2,003

The holders of the ordinary shares are entitled to vote at the general meetings of the Company and are entitled to receive such dividends as directors may declare.

The ordinary shares are not redeemable and on a return of capital or a liquidation or otherwise, the holders of the preference shares rank senior to the holders of the ordinary shares. The holders of the ordinary shares are entitled to participate in the distribution of any surplus assets of the Company.

**15. RETAINED EARNINGS AND OTHER RESERVES**

	Available for sale reserve €	Other Distributable Reserves €	Retained earnings €	Total €
Balance at 1 January 2010	1,340	59,000,000	13,283,490	72,284,830
Fair value movements	(317)	-	-	(317)
Net profit for the year	-	-	95,830,757	95,830,757
Dividend Paid	-	-	(91,563,022)	(91,563,022)
Balance at 31 December 2010	1,023	59,000,000	17,551,225	76,552,248

**PRALOU INVESTMENTS LIMITED**  
**REGISTERED NUMBER (ENGLAND AND WALES): FC027646**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**15. RETAINED EARNINGS AND OTHER RESERVES (continued)**

	Available for sale reserve	Other Distributable Reserves	Retained earnings	Total
	€	€	€	€
Balance at 1 January 2009	8,831	59,000,000	12,359,376	71,368,207
Fair value movements	(7,491)	-	-	(7,491)
Net profit for the year	-	-	96,388,970	96,388,970
Dividend Paid	-	-	(95,464,856)	(95,464,856)
Balance at 31 December 2009	1,340	59,000,000	13,283,490	72,284,830

**16. 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, as well as the Company's key management which includes its Directors. Particulars of transactions, and the balances outstanding at the year end, are disclosed in the notes cross referenced below

During the year the Company has had related party transactions with fellow group entities. Details of these transactions are in notes, 4, 5, 9, 11, 12, 13 and 14

**17. ULTIMATE HOLDING COMPANY**

Barclays Darnay Euro Investments Limited is the parent undertaking and controlling party. The parent undertaking of the smallest group that presents consolidated financial statements is Barclays Bank PLC. The ultimate holding Company and the parent Company of the largest group that presents group accounts is Barclays PLC. Both companies are incorporated in Great Britain and registered in England. Barclays Bank PLC's and Barclays PLC's statutory accounts are available for public use from the Group Corporate Secretariat, 1 Churchill Place, London E14 5HP