

BARLEY INVESTMENTS LIMITED

Report and Financial Statements

For the period 13 November 2000 to 31 December 2000



REGISTERED NUMBER: 4109369

BARLEY INVESTMENTS LIMITED

DIRECTORS' REPORT

For the period from 13 November 2000 to 31 December 2000

The directors present their report together with the audited financial statements from the date of incorporation (13 November 2000) to 31 December 2000.

Review of business

The Company has not carried on any business during the period. Consequently, the Company has made neither profit nor loss, nor any recognised gain or loss during the period.

Dividends

The directors do not recommend the payment of a dividend.

Results

During the period 13 November 2000 to 31 December 2000 the Company made no profit or loss.

Directors

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

NJ Davis (appointed 13 November 2000, resigned 13 December 2000)
D Fail (appointed 17 January 2001)
DJ Hodge (appointed 17 January 2001)
BJ Hurrell (appointed 13 December 2000)
GDR Sharp (appointed 13 November 2000, resigned 13 December 2000)
SJ Ullman (appointed 13 December 2000)
J Zenios (appointed 13 December 2000)

Directors' Interests in Shares

(as defined by section 325 the Companies Act 1985)

The directors of the Company at the year end, are also directors of Barclays Directors Limited and their interests are disclosed in the accounts of that company.

BARLEY INVESTMENTS LIMITED

DIRECTORS' REPORT (continued)

For the period from 13 November 2000 to 31 December 2000

Statement of Directors' Responsibilities

The following statement, which should be read in conjunction with the Auditors' Report set out on page 3, 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 1985 to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company as at the end of the financial period.

The directors consider that in preparing the financial statements on pages 4 to 7,

- the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements 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 1985.

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.

Holding Companies

The parent company of the smallest group that presents group financial statements is Barclays Bank PLC. The ultimate holding company is Barclays PLC and copies of the group financial statements of Barclays PLC may be obtained from Group Corporate Secretariat, Barclays PLC, 54 Lombard Street, London EC3P 3AH. Both companies are incorporated in Great Britain and registered in England and Wales.

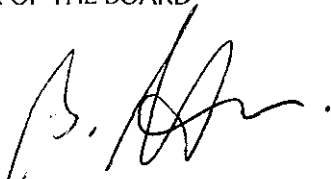
Auditors

On 8 January 2001 an elective resolution was passed by the shareholders of the Company pursuant to Section 386 of the Companies Act 1985 to dispense with the obligation to appoint Auditors annually. PricewaterhouseCoopers have signified their willingness to continue in office.

BY ORDER OF THE BOARD

Director

Date


18.5.2001

BARLEY INVESTMENTS LIMITED

AUDITORS' REPORT TO THE MEMBERS OF BARLEY INVESTMENTS LIMITED

We have audited the financial statements on pages 4 to 7.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 2, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the United Kingdom Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs at 31 December 2000 and have been properly prepared in accordance with the Companies Act 1985.


PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
London

Date 18 May 2001

BARLEY INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD, 13 NOVEMBER 2000 TO 31 DECEMBER 2000

During the period, the Company did not carry on any business and received no income and incurred no expenditure. Consequently the Company has made neither profit nor loss, nor any recognised gain or loss during the period.

BALANCE SHEET AS AT 31 DECEMBER 2000

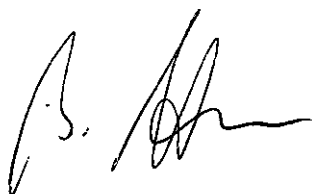
	Notes	2000 US\$
FIXED ASSETS		
Investments	4	2
CURRENT ASSETS		
Debtors falling due within one year	5	1
NET CURRENT ASSETS		1
NET ASSETS		3
CAPITAL AND RESERVES		
Called up share capital	6	3
Profit and loss account		-
TOTAL EQUITY SHAREHOLDERS' FUNDS	7	3

A statement of movement in shareholders' funds is given in note 7.

The notes on pages 5 to 7 form an integral part of these financial statements.

The financial statements on pages 4 to 7 were approved by the Board of Directors on 18.5.2001.

Director



BARLEY INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, the accounting policies set out below and in accordance with applicable accounting standards.

The first accounting reference period of the Company runs from incorporation, on 13 November 2000, to 31 December 2000.

Foreign Exchange

The financial statements have been prepared in US Dollars. The rate as at the balance sheet date was 1.49 USD to GBP. All of the Company's principal activities are undertaken in USD and for this reason the accounts are prepared in USD.

2. CASH FLOW STATEMENT

The Company's ultimate holding company has adopted the provisions of Financial Reporting Standard 1 ("FRS 1") revised 1996, Cash Flow Statements. Accordingly the Company, which is a wholly owned subsidiary of Barclays Bank PLC, has elected to utilise the exemption provided in FRS 1 not to produce a cash flow statement.

3. DIRECTORS' EMOLUMENTS

The Directors did not receive any emoluments in respect of their services to the Company during the period.

4. FIXED ASSET INVESTMENTS

	2000 US\$
Cost at 13 November	-
Additions at cost:	
Investment in subsidiaries	2
Cost at 31 December	<u>2</u>

In December 2000, the Company acquired 1 share of Chinnock Capital Limited carrying 50% of the voting rights. At 31 December 2000, the company owned 50% of the equity capital of Chinnock Capital Limited. In the opinion of the directors, the value of the Company's investment in its subsidiary is not less than the amount stated in the balance sheet.

BARLEY INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. DEBTORS FALLING DUE WITHIN ONE YEAR

	2000 US\$
Amounts due from parent undertakings	1

6. CALLED UP SHARE CAPITAL

	2000 US\$
Authorised: Ordinary shares: 10 ordinary shares of £1 each	15
Allotted and fully paid: Ordinary shares: 2 ordinary shares of £1 each	3

On 13 November 2000, the company increased its authorised share capital by 10 ordinary shares of £1 each. On the same day, the Company allotted and fully paid 2 ordinary shares of £1 each.

7. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2000 US\$
Retained profit for the financial year	-
New share capital subscribed	3
Increase in shareholders' funds	3
Closing shareholders' funds	3

8. SUBSEQUENT EVENTS

On 8 January 2001 the Company increased its nominal capital to US\$83,947,368 and £10, by issuing 83,947,368 ordinary shares of US\$1 to rank pari pasu with existing ordinary shares of the Company.

On 11 January 2001 the Company increased the nominal capital by US\$16,052,632 to US\$100,000,000 and £10, by issuing 16,052,632 ordinary shares of US\$1 to rank pari pasu with existing ordinary shares of the Company.

BARLEY INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

SUBSEQUENT EVENTS (continued)

On 11 January 2001, the Company loaned US\$1 million to Chinnock Capital PLC (formerly Chinnock Capital Ltd), a fellow subsidiary of Keeper Investments (formerly Keeper Investments Ltd) pursuant to a loan agreement.

On the same day, the Company and Chinnock Capital PLC formed a trust by making US\$ 99,000,000 and US\$1,877,000,000 contributions respectively. The Trust invested in zero coupon notes issued by Keeper Investments.

9. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption under the provisions of Financial Reporting Standard 8 ("FRS 8"), Related Party Disclosures not to disclose transactions with other group companies since the Company is a wholly owned subsidiary of Barclays Bank PLC, the consolidated financial statements of which are publicly available. During the period there have been no transactions with related parties other than group companies.

10. ULTIMATE HOLDING COMPANY

The parent undertaking of the smallest group that presents group accounts 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 and Wales. Barclays Bank PLC's and Barclays PLC's statutory accounts are available from the Secretary, 54 Lombard Street, London EC3P 3AH.