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**Barclays Delta Investments B.V.**

**Report and Financial Statements  
for the year ended 7 July 2007**

**REGISTRAR OF COMPANIES FOR ENGLAND AND WALES  
REGISTRATION NO: FC024022**

THURSDAY



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COMPANIES HOUSE

**PRICEWATERHOUSECOOPERS**   
PricewaterhouseCoopers Accountants N.V.  
For identification purposes only

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# **Barclays Delta Investments B.V.**

## **Report and Financial Statements for the year ended 7 July 2007**

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#### **Directors**

SI Ullman  
P Emney  
AN Janisch

#### **Address.**

5 The North Colonnade  
Canary Wharf  
London  
E14 4BB

**PRICEWATERHOUSECOOPERS** 

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**DIRECTORS' REPORT**

For the year ended 7 July 2007

The attached accounts prepared by us as of today's date give a fair presentation of the financial position of the Company as at 7 July 2007 and its result for the year ending 7 July 2007

**Review of business**

The principal activity of the Company is to act as an investment company. The Company employs no personnel other than the directors.

**Risk Management**

The Company is exposed to interest rate and liquidity risk. Interest rate risk arises where the Company does not match interest bearing assets and liabilities. The Company is exposed to liquidity risk being the risk that it does not have sufficient funds in place to meet payments due on its liabilities. The Company has issued preference shares that pay a fixed rate of interest. To hedge this position, the Company has entered into fixed rate loans. This eliminates the risk that the Company's financial assets may not generate sufficient returns to pay the Company's liabilities. The Company is also exposed to credit risk. This is the risk that counterparties the Company transacts with may default on their obligations. The Company reviews all counterparties it transacts with to mitigate against credit risk.

The Company's directors are required to follow the requirements of the Barclays Group risk management policies, which include specific guidelines on the management of foreign exchange, credit and interest rate risks and advise on the use of financial instruments to manage them. Barclays Group risk management policies can be found in the financial statements of Barclays PLC.

**Future Outlook**

On 17 July 2007 a loan of €249,990,000 was redeemed. The cash has been used to repay share premium on the preference shares. The directors are of the opinion that the present level of activities will be maintained during the remainder of the financial year.

**Results and Dividends**

During the year ending 7 July 2007 the Company made a profit after taxation of €11,536,238 (2006 €11,550,851). The directors recommend the payment of a preference dividend of €10,875,000 (2006 €10,875,000) of which €9,968,750 (2006 €9,968,750) has been paid on account as monthly interim dividends.



Paul Emney  
Director

26 September 2007



Stephen Ullman  
Director

26 September 2007



Adam Janisch  
Director

26 September 2007

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# Barclays Delta Investments B.V.

## BALANCE SHEET AS AT 7 JULY 2007 (after appropriation of results for the period)

	Notes	2007 €	2006 €
<b>ASSETS</b>			
<b>FINANCIAL FIXED ASSETS</b>			
Loans to Group Companies	3	299,990,000	299,990,000
		<u>299,990,000</u>	<u>299,990,000</u>
<b>CURRENT ASSETS</b>			
Amounts due from Group Companies	4	-	4,641,242
Bank balance with Group Companies	4	5,321,404	63
Accrued loan interest	4	1,302,057	1,302,081
		<u>6,623,461</u>	<u>5,943,386</u>
<b>TOTAL ASSETS</b>		<u><u>306,613,461</u></u>	<u><u>305,933,386</u></u>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Paid up and called share capital	5	40,000	40,000
Share premium		299,990,000	299,990,000
Other Reserves	6	4,200,319	3,539,081
		<u>304,230,319</u>	<u>303,569,081</u>
<b>CURRENT LIABILITIES (due up to one year)</b>			
Corporation tax payable	8	2,383,142	2,362,374
Bank balance with Group Companies	8	-	1,931
		<u>2,383,142</u>	<u>2,364,305</u>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<u><u>306,613,461</u></u>	<u><u>305,933,386</u></u>

*[Handwritten signature]*

# Barclays Delta Investments B V

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 7 JULY 2007

	Notes	2007 €	2006 €
<u>INCOME</u>			
Interest income from group companies	10	16,536,945	16,486,006
Interest expense		(10,406)	(6,306)
TOTAL INCOME		<u>16,526,539</u>	<u>16,479,700</u>
<u>EXPENSES</u>			
General and administrative expenses		(6,637)	3,937
TOTAL EXPENSES		<u>(6,637)</u>	<u>3,937</u>
OPERATING PROFIT BEFORE TAXATION		16,519,902	16,483,637
TAXATION	11	(4,983,664)	(4,932,786)
NET PROFIT		<u>11,536,238</u>	<u>11,550,851</u>

# Barclays Delta Investments B.V.

## CASH FLOW STATEMENT FOR THE YEAR ENDED 7 JULY 2007

	2007 €	2006 €
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Operating profit before taxation	16,519,902	16,483,637
(Increase)/Decrease in deposits with group companies	4,641,242	654,604
Increase/(Decrease) in creditors	-	(14,290)
(Increase)/Decrease in debtors	24	-
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>21,161,168</b>	<b>17,123,951</b>
Corporate income tax paid	(4,962,896)	(4,929,916)
<b>CASH FLOW FROM ORDINARY ACTIVITIES</b>	<b>16,198,272</b>	<b>12,194,035</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividends paid	(10,875,000)	(10,875,000)
<b>NET CASH INFLOW</b>	<b>5,323,272</b>	<b>1,319,035</b>
<b>MOVEMENTS IN CASH AND CASH EQUIVALENTS</b>		
Opening cash and cash equivalents	(1,868)	(1,320,903)
Increase in cash and cash equivalents	5,323,272	1,319,035
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>5,321,404</b>	<b>(1,868)</b>

# Barclays Delta Investments B.V.

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 7 JULY 2007

### 1 GENERAL

The Company, which is incorporated in Amsterdam, and managed and controlled in the UK, is a subsidiary of Barclays Darnay Euro Investments Limited, and part of the Barclays PLC worldwide group of companies. The registered address of Barclays Delta Investments BV is 5 The North Colonnade, Canary Wharf, London, E14 4BB, England.

#### Notes to the Cash Flow Statement

The cash flow statement has been prepared applying the indirect method. The cash and cash equivalents in the cash flow statement comprise the balance sheet items cash at banks and in hand and the bank overdraft forming part of the current liabilities.

Cash flows in foreign currencies have been translated at estimated average exchange rates. Exchange differences affecting cash items are shown separately in the cash flow statement. Receipts and payments of interest, dividends received and corporate income tax are included in the cash flow from operating activities. Dividends paid have been included in the cash flow from financing activities.

Investments in group companies are recognised at acquisition cost less cash and cash equivalents available in the company acquired at the time of acquisition.

### 2 ACCOUNTING POLICIES

#### 1 Principles of valuation of assets and liabilities

##### *1.1 General*

The annual accounts were prepared in accordance with the statutory provisions of Part 9, Book 2, of the Netherlands Civil Code and the firm pronouncements in the Guidelines for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board. The annual accounts are denominated in euro.

In general, assets and liabilities are stated at the amounts at which they were acquired or incurred, or fair value. If not specifically stated otherwise, they are recognised at the amounts at which they were acquired or incurred. The balance sheet, profit and loss account and cash flow statement include references to the notes.

##### *1.2 Comparison with prior year*

The principles of valuation and determination of result remain unchanged compared to the prior year with the exception of the changes in accounting policies set out in section 1.3.

##### *1.3 Foreign currencies*

###### *Functional currency*

The annual accounts are denominated in euro, i.e. the functional and reporting currency of Barclays Delta Investments B.V.

## Barclays Delta Investments B.V.

### *Transactions, receivables and liabilities*

Transactions denominated in foreign currencies in the reporting period are recognised in the annual accounts at exchange rate ruling at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange prevailing at the balance sheet date. Exchange differences resulting from settlement and translation are charged or credited to the profit and loss account.

### *1.4 Financial fixed assets*

#### *Loans to group companies*

Loans and advances are recorded on balance sheet according to the substance of the contractual arrangement entered into. Loans and receivables are initially recorded at the fair value which they were acquired, less any amounts that have been provided for to reflect diminutions in the value of the investment that are considered permanent.

### *1.5 Impairment of fixed assets*

On each balance sheet date, the company tests whether there are any indications of assets being subject to impairment. If any such indications are present, the recoverable amount of the asset is determined. If this proves to be impossible, the recoverable amount of the cash-generating unit to which the asset belongs is identified. An asset is subject to impairment if its carrying amount is higher than its recoverable value, the recoverable value is the higher of the net realisable value and the value in use.

### *1.6 Cash at bank and in hand*

Cash represents cash in hand, bank balances and deposits with a maturity of less than twelve months.

## **2 Principles for determination of result**

### *2.1 Financial income and expense*

#### *Interest income and expense*

Interest income and expense is recognised on a pro-rata basis, taking account of the effective interest rate of the assets and liabilities concerned. When recognising the interest charges, the transaction cost on the loans received is taken into account.

### *2.2 Tax on profit/(loss) on ordinary activities*

Profit tax is calculated on the profit/loss before taxation in the profit and loss account, taking into account any losses carried forward from previous financial years (insofar as these are not included in deferred tax assets), tax-exempt items and non-deductible expenses.



# Barclays Delta Investments B.V.

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 7 JULY 2007 (continued)

### 3 FINANCIAL FIXED ASSETS

	2007 €	2006 €
Loans to Group Companies	299,990,000	299,990,000

The Company entered into two loans with Barclays Darnay Euro Investments Limited, one for €50,000,000 and one for €249,990,000. These loans are undated but callable by either party on short notice and pay a fixed rate of interest of 5.388%. In the opinion of the directors, the value of the loans are not less than the amount stated on the balance sheet. The fair value of the loans is not materially different to the book value stated above.

The movements in loans to group companies can be summarised as follows

	2007 €	2006 €
Balance as at 8 July 2006	299,990,000	299,990,000
Balance as at 7 July 2007	299,990,000	299,990,000

### 4. CURRENT ASSETS

	2007 €	2006 €
Deposits with Group Companies	-	4,641,242
Bank balance with Group Companies	5,321,404	63
Accrued interest receivable	1,302,057	1,302,081
	6,623,461	5,943,386

All current assets have a remaining balance not exceeding one year

# Barclays Delta Investments B.V.

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 7 JULY 2007 (continued)

### 5. PAID UP AND CALLED UP SHARE CAPITAL

	2007	2006
Authorised Ordinary shares 15 ordinary shares of €2,000 each	€30,000	€30,000
Allotted and fully paid Ordinary shares 15 ordinary shares of €2,000 each	€30,000	€30,000
Authorised Preference shares 5 preference shares of €2,000 each	€10,000	€10,000
Allotted and fully paid Preference shares 5 preference shares of €2,000 each	€10,000	€10,000

Each preference share pays a fixed dividend of €2,175,000 per annum (€10,875,000 for all preference shares)

The voting rights of the shares entitle the holder of each ordinary share and each preference share to one vote

### 6 OTHER RESERVES

Movements during the year	2007 €	2006 €
Balance as at 7 July 2006	2,632,831	1,956,980
Retained profit for the year/period	11,536,238	11,550,851
Preference dividend	(10,875,000)	(10,875,000)
Balance as at 7 July 2007	3,294,069	2,632,831
Proposed final preference dividend	906,250	906,250
	4,200,319	3,539,081



## Barclays Delta Investments B.V.

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 7 JULY 2007 (continued)

#### 7 PROPOSED PREFERENCE DIVIDEND

	2007 €	2006 €
Total proposed preference dividend	10,875,000	10,875,000
Total paid out Interim preference dividend	(9,968,750)	(9,968,750)
Total proposed final preference dividend	<u>906,250</u>	<u>906,250</u>

#### 8 CURRENT LIABILITIES

	2007 €	2006 €
Accruals		
Corporation tax payable	2,383,142	2,362,374
Bank balance with Group Companies	-	1,931
	<u>2,383,142</u>	<u>2,364,305</u>

The remaining term of the current liabilities is less than one year

#### 9 DIRECTORS

As at 7 July 2007 the Company had 4 directors, none of whom received any remuneration (2006 Nil)

The Company employs no other personnel (2006 Nil)

#### 10 INTEREST INCOME

The total income increased by 0.31% compared to prior year

#### 11. CORPORATION TAX

The Company is resident in the UK for tax purposes by virtue of management and control being exercised there. It therefore pays UK Corporation Tax at 30%.

**OTHER INFORMATION AS AT 7 JULY 2007**

**1. PROVISIONS IN THE COMPANY'S ARTICLES OF ASSOCIATION FOR APPROPRIATION OF PROFITS**

Article 22 of the Company's Articles of Association states that a profit shall be at the disposal of the General Meeting of Shareholders

If according to the adopted profit and loss account a loss has been sustained in any year, which is not recovered from a reserve or in any other way, no distributions of profit shall be made in subsequent years as long as such loss has not been recovered

**2. PROPOSED PROFIT APPROPRIATION**

Subject to approval of the General Meeting of Shareholders, the Management Board of Directors proposed the payment of €10,875,000 preference dividend out of net profit for the year ending 7 July 2007 amounting to €11,536,238. The remaining part of €661,238 will be transferred to retained earnings

This proposal has been taken into consideration in preparing the Financial Statements for the period to 7 July 2007

**3. SUBSEQUENT EVENTS**

On 17<sup>th</sup> July 2007 the company repaid the entire share premium on the preference shares in issue to the shareholder of the entire issued share capital (Barclays Darney Euro Investments Limited). The company repaid cash of €249,990,000 on 17<sup>th</sup> July 2007 being the share premium attached to the preference shares from their issue. As such the fixed rate dividend attached to the preference shares has been cancelled.

On the same date a loan of €249,990,000 to Barclays Darney Euro Investments Limited was redeemed. This gave the company sufficient funds to re-pay the share premium mentioned above.

**4. AUDITORS' REPORT**

The report of the auditors, PricewaterhouseCoopers Accountants N.V. is set forth on page 11 of these Financial Statements.



To the Board of Directors and the General Meeting of Shareholders of  
Barclays Delta Investments B V

PricewaterhouseCoopers  
Accountants N V  
Thomas R Malthusstraat 5  
1066 JR Amsterdam  
P O Box 90357  
1006 BJ Amsterdam  
The Netherlands  
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Facsimile +31 (20) 568 68 88  
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## Auditor's report

### Report on the financial statements

We have audited the accompanying financial statements of Barclays Delta Investments B V, Amsterdam as set out on pages 2 to 9 which comprise the balance sheet as at 7 July 2007, the profit and loss account for the year then ended and the notes

#### *The management board's responsibility*

The management board of the company is responsible for the preparation and fair presentation of the financial statements and for the preparation of the management board report, both in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management board, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of Barclays Delta Investments B V as at 7 July 2007, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code

**Report on other legal and regulatory requirements**

Pursuant to the legal requirement under 2:393 sub 5 part e of the Netherlands Civil Code, we report, to the extent of our competence, that the management board report is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code

Amsterdam, 26 September 2007  
PricewaterhouseCoopers Accountants N V



Drs. J.M. de Jonge RA