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Bramley Landing Limited

**Report and Financial Statements
For the period ended 31 December 2014**



**REGISTERED NUMBER (ENGLAND AND WALES): FC025478
REGISTERED NUMBER (CAYMAN ISLANDS): MC-122053**

DIRECTOR'S REPORT

For the period ended 31 December 2014

The Director presents the report together with the audited financial statements for Bramley Landing Limited ("the Company") for the period ended 31 December 2014.

Review of business

The principal activity of the Company is to act as an investment company. The Director has reviewed the Company's business and performance and considers it to be in line with expectations for the period.

On 18 December 2014, the Company entered into three sale and repurchase agreements with Commerzbank Finance Limited ("CFL") in relation to a portfolio of gilts under which the Company transferred the gilts as collateral and received a cash advance in the amount of £3,985m.

On the same date, Commerzbank AG London Branch ("CBL") acquired the share capital of the Company from Menlo Investments Limited. On that date the Company ceased to be a member of the Barclays group and became a member of the Commerzbank AG group.

On the same date, the Company entered into a contract for difference with CFL to hedge the market value movements associated with part of the gilt portfolio.

On 22 December 2014, two of the repurchase agreements referable to part of the gilt portfolio were novated to a fellow Commerzbank group undertaking for an amount of £2,737m and the repo liabilities were assumed for a payment by the Company of an amount of £2,753m. The remaining repurchase agreement and contract for difference were early terminated for a net payment to CFL of an amount of £56k.

On 23 December 2014, an interim dividend of approximately £172m was paid by the Company to CBL. Following these transactions, the Company retained an interest bearing deposit of £141k.

On 24 December 2014, the share capital of the Company was sold by CBL to Deefer Limited. On that date, the Company ceased to be a member of the Commerzbank AG group.

Later on the same date, an interim dividend of £100k was paid by the Company to Deefer Limited and remaining excess cash balances were transferred to Deefer Limited. Therefore following these transactions, the Company's remaining asset was an inter-company receivable of £146k.

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

The Director of the Company has established processes and controls to identify and manage the principal risks and uncertainties. These are primarily around effective investment selection and structuring; documenting of investor protection rights; and on-going tracking of performance within the investment portfolio. These risks are managed by an appropriate investment valuations process, regular portfolio reviews and through the use of investor protection rights.

Key business risks affecting the Company are set out below. These risks are formally reviewed by the Director and appropriate processes put in place to monitor and mitigate them.

Interest rate risk

Interest rate risk is the possibility that changes in interest rates will result in higher financing costs and / or reduced income from the Company's interest bearing financial assets and liabilities. If appropriate, the Company mitigates this risk by ensuring that its borrowings are at a fixed rate or its floating rate debt is hedged using interest rate hedging arrangements.

DIRECTOR'S REPORT (continued)
For the period ended 31 December 2014

Credit risk

Credit risk is the risk that counterparties to the Company's financial assets may default. To mitigate this risk, the Company assesses all counterparties, including its customers, for credit risk before contracting with them. The Company's exposure to its counterparties is subject to financial limits

Liquidity risk

Liquidity risk is the risk that the Company's cash and committed facilities may be insufficient to meet its debts as they fall due. The Company maintains an appropriate mixture of long term and short term facilities, including financial support during the period from 18 December 2014 to 24 December 2014 from CBL, the ultimate parent during that period, that are designed to ensure the Company has sufficient funds available for its operations and debt commitments

Foreign exchange risk

If the Company is exposed to foreign exchange risk due to the extent of its foreign currency assets not matched by foreign currency borrowings in the same currency, it enters into appropriate hedging arrangements to mitigate its net foreign currency exposure.

Results and Dividends

The Company made a profit for the financial period of £170,595k (period ended 17 December 2014: £23,037k)

An interim dividend of £171,818,645, including the repayment of the share premium account balance of £247,500, was paid on 23 December 2014 on the ordinary shares with a further interim dividend of £100,000 paid on 24 December 2014 on the ordinary shares (period ended 17 December 2014: £74,416,473, £25,576,294 and £7,233 was paid on 17 March 2014 in respect of the Redeemable preference shares, Class A preference shares and ordinary shares respectively and a further dividend of £40,000,000 was paid on 16 December 2014 in respect of ordinary shares). The Director does not recommend the payment of a final dividend (period ended 17 December 2014: £Nil)

The Director considers that the performance of the Company is in line with expectations.

Change of accounting reference date

The accounting reference date of the Company, which was previously 17 December 2015, has been changed to 31 December 2014 for commercial reasons. These financial statements are prepared for the period from 18 December 2014 to 31 December 2014. The prior period covers the period from 1 January 2014 to 17 December 2014 and hence comparative amounts for the profit and loss account and related notes reflect the results of a period of a different length and may not be comparable.

Derivatives and financial instruments

The Company's Directors during the period from 18 December 2014 to 24 December 2014 operated within the requirements of the Group risk management policies of Commerzbank AG which included specific guidelines on the management of foreign exchange and interest rate risks and advised on the use of financial instruments to manage them. The risk management policies of Commerzbank AG can be found in the financial statements of Commerzbank AG. Since 24 December 2014 the Company has held no derivatives or financial instruments.

For the period ended 31 December 2014

Directors

The Directors of the Company up to the date of signing the financial statements, together with dates of appointment and resignation, where appropriate, is as shown below:

Deefer Limited	Appointed 24 December 2014
RJ Craine	Resigned 18 December 2014
B Hill	Resigned 18 December 2014
N Minns	Resigned 18 December 2014
NG Aiken	Appointed 18 December 2014 and resigned 24 December 2014
RA Birch	Appointed 18 December 2014 and resigned 24 December 2014
MC Beebee	Appointed 18 December 2014 and resigned 24 December 2014
PR Burrows	Appointed 18 December 2014 and resigned 24 December 2014
AD Levy	Appointed 18 December 2014 and resigned 24 December 2014

Directors' third party indemnity provisions

Qualifying third-party indemnity provisions were in force during the course of the financial period from 18 December 2014 to 24 December 2014 for the benefit of the then Directors and, at the date of this report, are in force for the benefit of the Director in relation to certain losses and liabilities which they may incur (or have incurred) in connection with their duties, powers or office

Statement of Director's Responsibilities

The Director is responsible for preparing the Strategic Report, the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Director to prepare financial statements for each financial year. Under that law the Director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Director must not approve the financial statements unless it is satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Director is required to:

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The Director is responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable the director to ensure that the financial statements comply with the Companies Act 2006 as applicable to overseas companies. The director is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Director confirms that to the best of its knowledge and belief:

- (a) the financial statements prepared in accordance with UK GAAP give a true and fair view of the assets, liabilities, financial position and profit and loss of the Company, and
- (b) the Director's report contained in the annual report includes a fair review of the development and performance of the business and position of the Company, together with a description of the principal risks and uncertainties that they face

DIRECTOR'S REPORT (continued)

BRAMLEY LANDING LIMITED

REGISTERED NUMBER (ENGLAND AND WALES) FC025478

For the period ended 31 December 2014

Statement of disclosure of information to auditors

In accordance with Section 418 of the Companies Act 2006, the director in office at the date the director's report is approved, confirms that:

- (a) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware;
- (b) the director has taken all the steps that it ought to have taken as a director in order to make itself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Independent Auditors

PricewaterhouseCoopers LLP will continue to hold office in accordance with section 487 of the Companies Act 2006, as applicable to overseas companies.

Director's Report - ON BEHALF OF THE BOARD



... ..
Name: Stephen Edward Hubble for and on behalf of Deefer Limited - Director

Date: 26th October 2015

For and on behalf of Bramley Landing Limited

BRAMLEY LANDING LIMITED
REGISTERED NUMBER (ENGLAND AND WALES): FCO25478

STRATEGIC REPORT
For the period ended 31 December 2014

Review and principal activities

The principal activity of the Company is to act as an investment company

Business performance

During the period the Company made a profit for the financial period of £170,595k (period ended 17 December 2014: £23,037k). The Company has net assets of £62k (17 December 2014: £1,385k).

The Director has reviewed the Company's business and performance and considers it to be satisfactory for the period. The Director considers that the Company's position at the end of the period is consistent with the size and complexity of the business.

Principal risks and uncertainties

From the perspective of the Company, for the period from 18 December 2014 until 24 December 2014, the principal risks and uncertainties were integrated with the principal risks of Commerzbank AG and were not managed separately. Accordingly, the principal risks and uncertainties of Commerzbank AG, which include those of the Company, are discussed in the Principal Risks and Uncertainties paragraph of the Commerzbank AG Group's annual report which does not form part of this report. Subsequent to 24 December 2014, the principal risks and uncertainties will be those disclosed in the solus Company as assessed by the Director.

Key performance indicators

Given the nature of the transactions during the period that have resulted in a significant reduction in the Company's activities, together with the change in ownership of the Company since 24 December 2014, the Company's Director believes that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company.

BY ORDER OF THE BOARD



Name Stephen Edward Hubble for and on behalf of Deefer Limited - Director
Date 26th October 2015
For and on behalf of Bramley Landing Limited

INDEPENDENT AUDITORS' REPORT TO THE DIRECTOR OF BRAMLEY LANDING LIMITED

Report on the financial statements

Our opinion

In our opinion, Bramley Landing Limited's financial statements (the 'financial statements')

- give a true and fair view of the state of the Company's affairs as at 31 December 2014 and of its profit and cash flows for the period then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice

What we have audited

The financial statements comprise:

- the Balance Sheet as at 31 December 2014,
- the Profit and Loss Account and the Cash Flow Statement for the period 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 United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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

Responsibilities for the financial statements and the audit

Our responsibilities and those of the director

As explained more fully in the Statement of Director's Responsibilities set out on page 3, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 and Ireland)'). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's director as a body for management purposes in accordance with our engagement letter dated 19 December 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.

BRAMLEY LANDING LIMITED

REGISTERED NUMBER (ENGLAND AND WALES) FC025478

INDEPENDENT AUDITORS' REPORT TO THE DIRECTOR OF BRAMLEY LANDING LIMITED (continued)**What an audit of financial statements involves**

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 director, and
- the overall presentation of the financial statements.

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

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

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



PricewaterhouseCoopers LLP
Chartered Accountants
London

26th October 2015

BRAMLEY LANDING LIMITED
REGISTERED NUMBER (ENGLAND AND WALES): FC025478

**PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 DECEMBER 2014**

	Note	Period ended 31 December 2014 £'000	Period ended 17 December 2014 £'000
Fee income		-	652
Operating profit		-	652
Interest from fixed asset investments	3	569	42,223
Gain on novation of fixed asset investments	4	170,339	-
Interest receivable and similar income	5	22	1,140
Interest payable and similar charges	6	(251)	(13,931)
Profit on ordinary activities before taxation	7	170,679	30,084
Tax on profit on ordinary activities	8	(84)	(7,047)
Profit for the financial period	15	170,595	23,037

All recognised gains and losses are included in the profit and loss account. Operating profit is derived from continuing activities. There is no difference between the results disclosed in the profit and loss account and the results on an unmodified historical cost basis.

A statement showing the movement on reserves is shown in note 15 on page 16.

The notes on pages 11 to 17 form an integral part of these financial statements.

BRAMLEY LANDING LIMITED
REGISTERED NUMBER (ENGLAND AND WALES): FC025478

BALANCE SHEET AS AT 31 DECEMBER 2014

	Note	31 December 2014 £'000	17 December 2014 £'000
FIXED ASSETS			
Fixed asset investments	9	-	3,481,061
Debtors: Amounts falling due after more than one year	10	-	190,578
		-	3,671,639
CURRENT ASSETS			
DEBTORS: Amounts falling due within one year	11	146	426,808
TOTAL CURRENT ASSETS		146	426,808
TOTAL ASSETS		146	4,098,447
CURRENT LIABILITIES			
CREDITORS: Amounts falling due within one year	12	(84)	(4,097,062)
NET CURRENT ASSETS / (LIABILITIES)		62	(3,670,254)
TOTAL ASSETS LESS CURRENT LIABILITIES		62	1,385
NET ASSETS		62	1,385
CAPITAL AND RESERVES			
Called up share capital	14	3	3
Share premium account	14	-	247
Profit and loss account		59	1,135
TOTAL SHAREHOLDERS' FUNDS	15	62	1,385

The financial statements and notes to the financial statements were approved by the Director and authorised for issue on 22nd October 2015 and were signed on its behalf by:



Name Stephen Edward Hubble for and on behalf of Deefer Limited - Director
Date: 26th October 2015
For and on behalf of Bramley Landing Limited

A statement showing the movement on reserves is shown in note 15 on page 16.

The notes on pages 11 to 17 form an integral part of these financial statements

**CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2014**

	Note	Period ended 31 December 2014 £'000	Period ended 17 December 2014 £'000
Cash flow from operating activities	A	(76,154)	(190,325)
Taxation paid		-	(58,023)
Dividends paid		(171,918)	(140,000)
Returns on investments and servicing of finance	B	23,163	37,018
Capital expenditure and financial investment	C	3,938,470	-
Financing	D	(4,093,306)	290,863
Net cash (outflow) for the period		(379,745)	(60,467)

NOTES TO THE CASHFLOW STATEMENT

	Period ended 31 December 2014 £'000	Period ended 17 December 2014 £'000
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A. Reconciliation of the profit before tax to net cash flow from operating activities

Profit before tax	170,679	30,084
Interest receivable	(1,305)	(16,997)
Interest payable	251	13,391
(Gain) on settlement / novation of government securities	(457,574)	-
Decrease / (increase) in debtors	211,795	(176,013)
(Decrease) in creditors	-	(40,790)

Net cash flow from operating activities	(76,154)	(190,325)
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B. Returns on investments and servicing of finance

Interest received on deposit	112	-
Interest received on government securities	27,058	131,887
Interest paid on repos	(1,212)	-
Interest paid on settled swap	(2,795)	(96,474)
Interest on synthetic loan	-	1,605
	23,163	37,018

C. Capital expenditure and financial investment

Settlement and novation of government securities	3,938,470	-
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D. Financing

Redemption of preference shares	-	(3,456,008)
Increase in loan funding	-	4,138,778
Repayment of loan funding	(4,093,306)	(391,907)
	(4,093,306)	290,863

E. Analysis of net funds

	17 December 2014 £'000	Cash movements £'000	31 December 2014 £'000
Net funds at the end of the period	379,745	(379,745)	-

The accounting policies and notes on pages 11 to 17 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 December 2014

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared on a going concern basis, under the historical cost convention, and in accordance with the accounting policies set out below. The financial statements have also been prepared in accordance with the Companies Act 2006 as applicable to overseas companies and applicable accounting standards of the Accounting Standards Board and pronouncements of the Urgent Issues Task Force.

Interest

Interest income and expense is recognised on an accruals basis.

Stock lending agreements

Investments and securities sold or lent subject to a stock lending agreement are retained on the balance sheet when substantially all the risks and rewards of ownership remain with the Company. Interest income and expense on stock lending transactions are recognised in the profit and loss account on an accruals basis.

Investment in partnership

Investments in partnerships are accounted for as fixed asset investments and are stated at cost less any permanent diminution in value.

Derivative financial instruments

The Company was party to financial instruments that reduced exposure to fluctuations in interest rate, foreign exchange, liquidity and credit risk, in line with the underlying assets and liabilities which they hedged economically. These instruments comprised of interest rate swaps, cross currency swaps and credit spread swaps. The purpose of these instruments was to hedge the interest rate and credit spread risks.

Derivative financial instruments were accounted for on an accruals basis in line with the underlying assets or liabilities, which were hedged economically. Income and expense was taken to the same line in the profit and loss account as the underlying asset or liability. When the derivative financial instruments were acquired by the Company and then used for hedging purposes, the consideration paid or received (net of the accrued values of the derivatives, which were recognised as a separate asset or liability) was recognised separately on the balance sheet as a prepayment or deferred income (expenditure) and amortised over the remaining life of the hedged item on a straight line basis.

Foreign exchange

Foreign currency transactions are translated into functional currency using the spot exchange rates prevailing at the dates of the transactions. Monetary items denominated in foreign currencies are translated into functional currency at the spot rate prevailing on the balance sheet date. All exchange gains and losses are recognised in the profit and loss account.

Investment in government securities

Investments in government securities were stated at cost less any permanent diminution in value. The government securities were intended for use on a continuing basis by the Company and were identified as such. Any discount or premium on acquisition was amortised on an effective yield basis through the profit and loss account over the period that the security was held by the Company.

Cash flow statement

Cash, for the purpose of the cash flow statement, comprises cash balances and deposits repayable on demand with an intermediate parent undertaking.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the period ended 31 December 2014

2. DIRECTORS' EMOLUMENTS

The Directors did not receive any emoluments in respect of their services to the Company during the period ended 31 December 2014 or the period ended 17 December 2014

3. INTEREST FROM FIXED ASSET INVESTMENTS

	Period ended 31 December 2014 £'000	Period ended 17 December 2014 £'000
Net interest receivable from government securities	1,283	112,100
Net interest on hedging derivatives	-	(101,302)
Amortisation of gains made on the novation of derivative positions	447	38,577
Amortisation of loss made on the novation of derivative positions	(1,161)	(7,152)
	<u>569</u>	<u>42,223</u>

The Company was party to a number of derivative transactions. The combination of these derivatives economically hedged the return on the government securities (see note 9) held by the Company into a floating rate of return. All derivative amounts reported within interest from fixed asset investments were held with Barclays Bank PLC or Barclays Capital Securities Limited. For more information on derivatives see note 13.

The amortisation of gains made on the novation of derivative positions used as hedging instruments has been classified as interest from fixed asset investments. It is considered more appropriate to classify these as interest from fixed asset investments as these properly reflect the yield on the investments, after taking into account the economic hedges.

4. GAIN ON NOVATION OF FIXED ASSET INVESTMENTS

	Period ended 31 December 2014 £'000	Period ended 17 December 2014 £'000
Gain on novation of government securities to CBL	352,207	-
Gain on cash settlement of repo agreement	105,367	-
Write off of deferred expenses on novation and settlement of government securities	(181,695)	-
Loss arising from write off of certain derivative positions on novation and settlement of government securities	(109,355)	-
Gain on settlement of contract for difference held with CFL	3,815	-
	<u>170,339</u>	<u>-</u>

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	Period ended 31 December 2014 £'000	Period ended 17 December 2014 £'000
Interest receivable from members of the Barclays plc Group	4	1,140
Interest receivable from members of the Commerzbank AG Group	18	-
	<u>22</u>	<u>1,140</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the period ended 31 December 2014

6. INTEREST PAYABLE AND SIMILAR CHARGES

	Period ended 31 December 2014 £'000	Period ended 17 December 2014 £'000
Interest payable to members of the Barclays plc Group	56	13,391
Interest payable to members of the Commerzbank AG Group	195	-
	<u>251</u>	<u>13,391</u>

7. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

There were no employees employed by the Company during the period ended 31 December 2014 or the period ended 17 December 2014

The audit fee for the period was borne by a Commerzbank Group company (period ended 17 December 2014 a Barclays Group company). Although the audit fee was borne by another group company, the fee that would have been charged to the Company amounts to £28,800 (period ended 17 December 2014: £6,500) for the period. This fee is not recognised as an expense in the financial statements.

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	Period ended 31 December 2014 £'000	Period ended 17 December 2014 £'000
UK corporation tax	84	7,047
Tax charge on profit on ordinary activities	<u>84</u>	<u>7,047</u>

The UK corporation tax charge is based on the UK corporation tax rate of 21% (period ended 17 December 2014: blended rate of 21.51% arising from the change in the UK corporation tax rate to 21% from 23%, effective from 1 April 2014). The tax assessed for the period differs from the standard rate of corporation tax in the UK. The differences are explained below:

	£'000	£'000
Profit on ordinary activities before taxation	170,679	30,084
Profit on ordinary activities multiplied by the rate of corporation tax in the UK of 21% (period ended 17 December 2014: 21.51%)	35,843	6,471
Effects of:		
Taxable allocation of partnership profits	-	6
Non deductible expense on write off of deferred expenses arising from prior intra group transfers in respect of certain derivatives	38,205	-
Non taxable gain on novation of government securities	(73,964)	-
Non-taxable amortisation of deferred income arising on novation of derivative positions	-	(8,298)
Tax deductible amortisation of liability arising on the novation of derivative positions held at a contracted rate	-	(3,078)
Group relief for nil consideration claimed for tax attributes utilised in the period	-	10,407
Prior year adjustment	-	1
Novation balances not deductible	-	1,538
Current tax charge	<u>84</u>	<u>7,047</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the period ended 31 December 2014

9. FIXED ASSET INVESTMENTS

	Government securities £'000	Investment in partnership £'000	Total £'000
At 18 December 2014	3,481,061	-	3,481,061
Amortisation of premium on acquisition	(166)	-	(166)
Disposals	(3,480,895)	-	(3,480,895)
At 31 December 2014	-	-	-
At 1 January 2014	3,495,623	6,280	3,501,903
Amortisation of premium on acquisition	(14,562)	-	(14,562)
Dissolution of partnership	-	(6,280)	(6,280)
At 17 December 2014	3,481,061	-	3,481,061

The fair value of the government securities at 17 December 2014 was £3,959,252,485

On 18 December 2014, the Company entered into three sale and repurchase agreements with CFL in relation to the government securities held under which the Company transferred the government securities as collateral and received a cash advance in the amount of £3,985m. In the prior period the Company had stock loaned the government securities on an uncollateralised basis to Barclays Capital Securities Limited or Barclays Bank PLC.

On 22 December 2014, two of the repurchase agreements referable to part of the government securities were novated to a fellow Commerzbank group undertaking. The remaining repurchase agreement was early terminated resulting in the government securities being derecognised

In prior periods the Company entered into a series of interest rate swaps to hedge the underlying investments in government securities. These swaps were terminated on 18 December 2014 (see note 13).

In the prior period the Company's investment in a partnership represented its investment in The Orsand (Scotland) Limited Partnership, the Partnership was dissolved on 9 October 2014.

10. DEBTORS: Amounts falling due after more than one year

	31 December 2014 £'000	17 December 2014 £'000
Prepayments and accrued income	-	30,012
Deferred expense	-	160,566
	-	190,578

The balance of prepayments and accrued income represented the loss on the closed out credit spread swap that was being amortised on a straight line basis over the life of the government security it hedged. This was released in full to the profit and loss account in the period, following the settlement and novation of the government securities.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the period ended 31 December 2014

11. DEBTORS Amounts falling due within one year

	31 December 2014 £'000	17 December 2014 £'000
Accrued interest on government securities	-	25,609
Deferred expense	-	21,363
Amounts owed by members of the Barclays plc Group	-	379,836
Amounts owed by group undertakings	146	-
	<u>146</u>	<u>426,808</u>

12. CREDITORS: Amounts falling due within one year

	31 December 2014 £'000	17 December 2014 £'000
Amounts owed to members of the Barclays plc Group	-	4,097,062
Corporation tax payable	84	-
	<u>84</u>	<u>4,097,062</u>

Amounts owed to members of the Barclays plc Group at 17 December 2014 included £2,794,864 of accrued interest on the hedging derivatives that were used to hedge the return on the government securities held by the Company (see note 13). As referenced in note 3, the amortisation of gains made on the novation of the derivative positions used as hedging instruments has been classified as interest from fixed asset investments. Under creditors, amounts owed to members of the Barclays plc Group in relation to this have been amortised in the current period.

13. DERIVATIVES FINANCIAL INSTRUMENTS

The Company was exposed to interest rate risk on its UK government securities, currency risk on a Japanese Yen loan and credit spread risk

Derivatives hedging the Company's assets

To hedge the interest rate risk and cashflows of the UK government securities, the Company entered into a number of interest rate swaps which were novated from fellow Barclays plc group undertakings and further interest rate swaps with Barclays Bank PLC. The net result was a floating LIBOR based rate of return (note 3). The remaining interest rate derivatives were terminated on 18 December 2014.

In addition, the Company entered into cross currency swaps, novated from a fellow Barclays plc group undertaking, to hedge the foreign currency exposure on a Japanese Yen loan made to Barclays Bank PLC. The foreign currency loan was translated at the rate inherent in the contract to yield a floating LIBOR rate of return on a Sterling asset. These swaps were terminated during the period ended 17 December 2014 following the repayment of the loan

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the period ended 31 December 2014

The fair value of Company's derivatives positions are given below.

	31 December 2014 £'000	17 December 2014 £'000
Fair value of interest rate swaps	-	(82,617)

At the period end the cumulative notional of the interest rate swaps was £Nil (17 December 2014: £2,539,686,208)

14. CALLED UP SHARE CAPITAL AND SHARE PREMIUM ACCOUNT

	31 December 2014 £	17 December 2014 £
Authorised Attributable to equity interests. 24,050,250,000 Ordinary shares of £0.01 each	240,502,500	240,502,500
Allotted and fully paid Attributable to equity interests 250,000 Ordinary shares of £0.01 each	2,500	2,500
Share premium account: Attributable to equity interests Nil (period ended 17 December 2014 Ordinary shares of £0.99 each)	-	247,500

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 December 2014 £'000	17 December 2014 £'000
Profit for the financial period	170,595	23,037
Dividends paid	(171,918)	(140,000)
Distribution from partnership	-	150
(Decrease) in shareholders' funds	(1,323)	(116,813)
Opening shareholders' funds	1,385	118,198
Closing shareholders' funds	62	1,385

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the period ended 31 December 2014

16. DIVIDEND PAID ON ORDINARY SHARES

An analysis of dividends paid on ordinary shares is as follows:

	Period ended 31 December 2014 £'000	Period ended 17 December 2014 £'000
Interim paid £686.68 (period ended 17 December 2014 £160.03) per share	171,671	40,007

17. RELATED PARTY TRANSACTIONS

The Company's parent undertaking up until 18 December 2014, Barclays Bank PLC, and the Company's parent undertaking from 18 December 2014 to 24 December 2014, Commerzbank AG, both prepare consolidated financial statements, which are publicly available. Accordingly advantage is taken in these financial statements of the exemptions available in FRS 8, 'Related Party Disclosures' for disclosure of transactions with entities that are part of the same group or investees of group entities.

The only transaction involving Deefer Limited, the immediate parent company as at 31 December 2014, is with respect to the balance held with group undertakings as shown in note 11.

18. PARENT UNDERTAKING AND ULTIMATE PARENT COMPANY

Prior to 18 December 2014, the parent undertaking of the smallest group that presents group financial statements was Barclays Bank PLC. The immediate parent company was Menlo Investments Limited. The ultimate parent company and controlling party was Barclays PLC, which was the parent company of the largest group that presented group financial statements. Barclays Bank PLC's and Barclays PLC's statutory financial statements are available from Barclays Corporate Secretariat, 1 Churchill Place, London E14 5HP.

Between 18 December 2014 and 24 December 2014, Commerzbank AG London Branch was the immediate parent undertaking. During that period, the largest group in which the results of the Company were consolidated was that headed by Commerzbank AG, a company incorporated in Germany under German law. Commerzbank AG was also the ultimate parent undertaking and controlling party. Financial statements of Commerzbank AG are available from Commerzbank AG, Investor Relations, Kaiserplatz, D-60261 Frankfurt am Main, Germany.

Since 24 December 2014 the immediate parent undertaking became Deefer Limited.