

# **CUTH INVESTMENTS LIMITED**

## **Report and Financial Statements For the year ended 31 December 2014**



**REGISTERED NUMBER (Cayman Islands): MC-191658**  
**REGISTERED NUMBER (England and Wales): FC027822**

# CUTH INVESTMENTS LIMITED

Registered Number in England and Wales FC027822

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## **CUTH INVESTMENTS LIMITED**

Registered Number in England and Wales FC027822

### **DIRECTORS' REPORT**

**For the year ended 31 December 2014**

The Directors present their annual report together with the audited financial statements of Cuth Investments Limited (the "Company") for the year ended 31 December 2014

#### **Results and dividends**

During the year ended 31 December 2014, the Company made a profit after tax of £14,808,968 (2013 £17,177,934) The Directors do not recommend the payment of a dividend in relation to the year ended 31 December 2014 (2013 nil) The Company has net assets of £2,076,432,589 as at 31 December 2014 (2013 £2,061,623,621)

#### **Directors**

The Directors of the Company, who served during the year and up to the date of signing, are as shown below

C Le Neve Foster	
R Stokes	(resigned on 5 September 2014)
B Ferry	(resigned on 10 September 2014)
G Clark	(resigned on 10 September 2014)
C Gyte	(appointed on 10 September 2014)
B Hill	(appointed on 10 September 2014)
N Minns	(appointed on 10 September 2014)

#### **Directors' third party indemnities**

Qualifying third-party indemnity provisions were in force during the course of the financial year ended 31 December 2014 for the benefit of the then Directors and, at the date of this report, are in force for the benefit of the Directors in relation to certain losses and liabilities which may occur (or have occurred) in connection with their duties, powers or office

#### **Going concern**

After reviewing the Company's performance and taking into account the support from Barclays Bank PLC, the Directors are satisfied that the Company has adequate access to resources to enable them to meet its obligations and to continue in operational existence for the foreseeable future For this reason, the Directors have adopted the going concern basis in preparing these financial statements

## **CUTH INVESTMENTS LIMITED**

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### **DIRECTORS' REPORT (continued)**

**For the year ended 31 December 2014**

#### **Statement of Directors' Responsibilities**

The following statement, which should be read in conjunction with the Auditors' report set out on page 6 is made with a view to distinguishing for shareholders the respective responsibilities of the Directors and of the Auditors in relation to the accounts

The Directors are required by the Companies Act 2006 as applicable to overseas companies to prepare accounts for each financial year. The Directors have prepared the accounts in accordance with International Financial Reporting Standards ('IFRS') to present fairly the financial position of the Company and the performance for that period. 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 items listed in note 2 which are required under IFRS are not included in these financial statements. The Companies Act 2006 as applicable to overseas companies provides, in relation to such accounts, that references to accounts giving a true and fair view are references to fair presentation.

The Directors consider that in preparing the financial statements on pages 8 to 18

- 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 2006. They are 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.

#### **Directors' third party indemnity provisions**

Qualifying third party indemnity provisions were in force during the course of the financial year ended 31 December 2014 for the benefit of the then Directors and, at the date of this report, are in force for the benefit of the Directors in relation to certain losses and liabilities which may occur (or have occurred) in connection with their duties, powers or office.

#### **Financial instruments**

Barclays financial risk management objectives and policies, which are followed by the Company, including the policy for hedging each major type of forecasted transaction for which hedge accounting is used, and the exposure to market risk, credit risk and liquidity risk are set out in the Group's annual report which does not form part of this report.

#### **Independent Auditors**

PricewaterhouseCoopers LLP will continue to hold office in accordance with Section 487 of the Companies Act 2006.

## CUTH INVESTMENTS LIMITED

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### DIRECTORS' REPORT (continued)

For the year ended 31 December 2014

#### Statement of disclosure of information to auditors

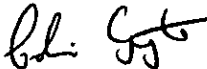
So far as the Directors are aware, there is no relevant audit information of which the Company's Auditors are unaware. The Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

BY ORDER OF THE BOARD

Director

Name

Date

  
Colin Gyte  
22.10.2015

## CUTH INVESTMENTS LIMITED

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### STRATEGIC REPORT

For the year ended 31 December 2014

#### Review and principal activities

The principal activity of the Company is to act as an investment company. The Directors have reviewed the Company's business and performance and consider it to be satisfactory for the year. The Directors consider that the Company's position at the end of the year is consistent with the size and complexity of the business.

No significant change in this activity is envisaged in the foreseeable future.

#### Business performance

During the year, the Company made a profit after tax of £14,808,968 (2013: £17,177,934). The Directors do not recommend the payment of a dividend in relation to the year ended 31 December 2014 (2013: nil). The Company has net assets of £2,076,432,589 as at 31 December 2014 (2013: £2,061,623,621).

#### Future outlook

The Directors have reviewed the Company's business and performance and consider it to be satisfactory for the year. The Directors consider that the Company's position at the end of the year is consistent with the size and complexity of the business. The Directors expect the Company's performance in the foreseeable future to be in line with the current year.

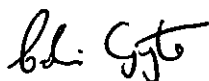
#### Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Barclays PLC group and are not managed separately. Accordingly, the principal risks and uncertainties of Barclays PLC, which include those of the Company, are discussed in the Group's annual report which does not form part of this report.

#### Key performance indicators

The Directors of Barclays PLC manage the group's operations on a business cluster basis. For this reason, the Company's Directors believe 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. The development, performance and position of the Company, is discussed in the Barclays PLC annual report which does not form part of this report.

BY ORDER OF THE BOARD



Director

Name

Colin Ayte

Date

22.10.2015

## ***Independent auditors' report to the directors of Cuth Investments Limited***

### **Report on the financial statements**

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#### **Our opinion**

In our opinion, Cuth Investments Limited's financial statements (the "financial statements") for the year ended 31 December 2014 have been properly prepared, in all material respects, in accordance with the basis of preparation in note 2 and accounting policies in note 3 to the financial statements

#### **Emphasis of matter - Basis of preparation**

In forming our opinion on the financial statements, which is not modified, we draw attention to the fact that the accounting policies used and disclosures made are not intended to, and do not, comply with the requirements of International Financial Reporting Standards (IFRSs) as adopted by the European Union

#### **What we have audited**

The financial statements, included within the Report and Financial Statements (the "Annual Report"), comprise

- the Income Statement for the year ended 31 December 2014,
- the Balance Sheet as at 31 December 2014, and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and the basis of preparation in note 2 and accounting policies in note 3 to the financial statements

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

### **Responsibilities for the financial statements and the audit**

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#### **Our responsibilities and those of the directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page ~~1~~, 3 and 4, the directors are responsible for the preparation of the financial statements in accordance with the basis of preparation in note 2 and accounting policies in note 3 to the financial statements and for determining that the basis of preparation and accounting policies are acceptable in the circumstances

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)") Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

This report, including the opinion, has been prepared for and only for the company's directors as a body for Management purposes in accordance with our engagement letter dated 7 August 2014 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come, including without limitation under any contractual obligations of the company, save where expressly agreed by our prior consent in writing

#### **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 directors, and
- the overall presentation of the financial statements

**CUTH INVESTMENTS LIMITED**

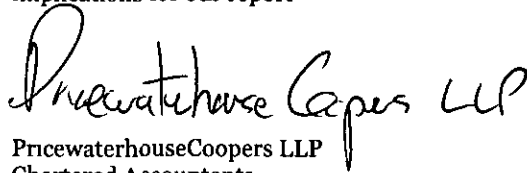
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***Independent auditors' report to the directors of Cuth Investments Limited (continued)***

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

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

In addition, we read all the financial and non-financial information in the Annual Report 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

23 October 2015



**CUTH INVESTMENTS LIMITED**

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**INCOME STATEMENT****FOR THE YEAR ENDED 31 DECEMBER 2014**

	Notes	2014 £	2013 £
Interest receivable	4	19,004,272	22,729,910
Interest payable	5	(139,345)	(348,237)
Profit before tax	6	18,864,927	22,381,673
Tax	9	(4,055,959)	(5,203,739)
Profit after tax	14	14,808,968	17,177,934

Profit for the year is derived from continuing activities. All recognised income and expenses have been reported in the income statement, hence no statement of comprehensive income has been included in the financial statements. The accompanying notes form an integral part of these financial statements.

**CUTH INVESTMENTS LIMITED**


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**BALANCE SHEET AS AT 31 DECEMBER 2014**

	Notes	2014 £	2013 £
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		818,644	718,761
Loans and advances	10	2,104,216,267	2,105,277,366
Current taxation	12	-	509,934
<b>Total current assets</b>		<b>2,105,034,911</b>	<b>2,106,506,061</b>
<b>TOTAL ASSETS</b>		<b>2,105,034,911</b>	<b>2,106,506,061</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Borrowings	11	24,619,004	44,882,440
Current taxation	12	3,983,318	-
<b>Total current liabilities</b>		<b>28,602,322</b>	<b>44,882,440</b>
<b>Net current assets</b>		<b>2,076,432,589</b>	<b>2,061,623,621</b>
<b>TOTAL LIABILITIES</b>		<b>28,602,322</b>	<b>44,882,440</b>
<b>NET ASSETS</b>		<b>2,076,432,589</b>	<b>2,061,623,621</b>
<b>EQUITY</b>			
Called up share capital	13	20,010,000	20,010,000
Share premium account	13	1,980,000,000	1,980,000,000
Retained earnings	14	76,422,589	61,613,621
<b>TOTAL EQUITY</b>		<b>2,076,432,589</b>	<b>2,061,623,621</b>

The accompanying notes form an integral part of the financial statements

The financial statements on pages 8 to 18 were approved by the Board of Directors and authorised for issue on 22 10 2015 and were signed on its behalf by

  
 Director  
 Name Colin Ayte  
 Date 22 10 2015

# CUTH INVESTMENTS LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

### 1 REPORTING ENTITY

The financial statements are prepared for Cuth Investments Limited (the "Company") The principal activity of the Company is to act as an investment company The Company is a wholly owned subsidiary of Gallen Investments Limited and its ultimate parent Company is Barclays PLC Barclays PLC prepares consolidated financial statements in accordance with IFRS as adopted by the European Union, and accordingly consolidated financial statements have not been prepared for Cuth Investments Limited

Cuth Investments Limited is a limited company incorporated in the Cayman Islands It is registered in England and Wales as a Branch The Company's registered office is

P O Box 309GT  
Ugland House  
Grand Cayman  
KY1-1104  
Cayman Islands

### 2 ACCOUNTING FRAMEWORK

The financial statements have been prepared in accordance with the Overseas Companies Regulations 2009 (SI 2009/1801) made under section 1049 of the Companies Act 2006 (the "Regulations") The Company has applied Section 396 of the Companies Act 2006, as modified by the Regulations, in producing overseas companies individual financial statements

The Company applies the measurement and recognition requirements of International Financial Reporting Standards ("IFRS") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"), as published by the International Accounting Standards Board ("IASB") and in accordance with the IFRSs and IFRIC interpretations as adopted by the European Union

However, for presentation and disclosure purposes, the directors have adopted the requirements under the Regulations and selected disclosures under IFRS which the directors deem to be relevant in understanding its state of affairs As a result, the following items which are required under IFRS are not included in these financial statements

- 1 Statement of Changes in Equity,
- 2 Statement of Cash flows,
- 3 Capital Management note,
- 4 IFRS 7 Financial Instruments Disclosures to the extent they are not relevant in assessing the Company's state of affairs
- 5 IFRS 12 Disclosures of Interests in Other Entities
- 6 IFRS 13 Fair Value Measurement

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

## **CUTH INVESTMENTS LIMITED**

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

#### **3. SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied.

##### **Basis of preparation**

The financial statements have been prepared under the historical cost convention modified to include the fair valuation of certain financial instruments. They are stated in GBP, which is the Company's functional and presentation currency.

##### **Revenue Recognition**

Revenue is recognised in the income statement 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.

##### **Dividends from subsidiaries**

Dividends income is recognised when the right to receive payment is established, which is when the dividends are received or the dividends are appropriately authorised by the subsidiary or associate.

##### **Interest**

Interest income or expense is recognised on all interest bearing financial assets classified as held to maturity, available for sale or loans and receivables 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 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.

##### **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and which are not classified as available for sale. They are included in current assets, except for maturities greater than twelve months after the balance sheet date. These are classified as non-current assets. Loans and receivables are stated at amortised cost using the effective interest method. They are initially recognised at fair value including direct and incremental transaction costs. They are subsequently valued at amortised cost, using the effective interest method. They are derecognised when the rights to receive cash flows have expired or the Company has transferred substantially all the risks and rewards of ownership.

## **CUTH INVESTMENTS LIMITED**

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

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

##### **Borrowings**

Borrowings refer to redeemable preference shares issued by the Company. They were recognised as a liability when a contractual agreement resulted in the Company having a present obligation to deliver cash or another financial asset to the holder. The liability was 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 a compound financial instrument and are being split into its debt and equity components. The liability component of the Class A preference shares have been amortised through the profit and loss account as an interest expense on an effective yield basis.

##### **Share capital**

Share capital classified as equity, provided that there is no present obligation to deliver cash or another financial asset to the holder, is shown in called up share capital, and the costs associated with the issuance of shares are recorded as a deduction from equity.

##### **Dividends payable on ordinary and preference shares**

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

##### **New and amended standards**

The accounting policies adopted are consistent with those of the previous financial year, except where new standards and amendments to IFRS effective as of 1 January 2014 have resulted in changes in accounting policy. The new amended standards that have material impact on the Company's accounting policies are as follows:

##### **IAS 32 Financial Instruments Presentation**

IAS 32, Amendments to Offsetting Financial Assets and Financial Liabilities clarified the circumstances in which netting is permitted, in particular what constitutes a currently legally enforceable right of set-off and the circumstances in which gross settlement systems may be considered equivalent to net settlement.

The Company does not have any Financial Asset or Financial Liabilities that qualify for offsetting, however if the Company enters into such transactions in the future, presentations in compliance with these amendments to IAS 32 will be required.

# CUTH INVESTMENTS LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Future accounting developments

There have been and are expected to be a number of significant changes to the Company's financial reporting after 2014 as a result of amended or new accounting standards that have been or will be issued by the IASB. The most significant of these are as follows:

In 2014, the IASB issued IFRS 9, Financial Instruments which will replace IAS 39 Financial Instruments Recognition and Measurement. It will lead to significant changes in the accounting for financial instruments. The key changes relate to:

- **Financial assets** Financial assets will be held at either fair value or amortised cost, except for equity investments not held for trading and certain debt instruments, which may be held at fair value through other comprehensive income,
- **Financial liabilities** Gains and losses arising from changes in own credit on non-derivative financial liabilities designated at fair value through profit or loss will be excluded from the Income Statement and instead taken to other comprehensive income,
- **Impairment** Credit losses expected at the balance sheet date (rather than only losses incurred in the year) on loans, debt securities and loan commitments not held at fair value through profit or loss will be reflected in impairment allowances, and
- **Hedge accounting** Hedge accounting will be more closely aligned with financial risk management

Adoption is not mandatory until periods beginning on or after 1 January 2018. The standard has not been endorsed by the EU. At this stage, it is not possible to determine the potential financial impacts of adoption on the Company.

### 4. INTEREST RECEIVABLE

	2014 £	2013 £
Interest receivable from parent undertakings	19,004,272	22,729,910
	<u>19,004,272</u>	<u>22,729,910</u>

### 5. INTEREST PAYABLE

	2014 £	2013 £
Interest payable to group undertaking	139,345	348,237
	<u>139,345</u>	<u>348,237</u>

## CUTH INVESTMENTS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### 6 PROFIT ON ORDINARY ACTIVITIES BEFORE TAX

The audit fee is borne by another group company. Although the audit fee is borne by another group company, the fee that would have been charged to the Company amounts to £7,622 for the year (2013 £7,622). This fee is not recognised as an expense in the financial statements.

#### 7 DIRECTORS' EMOLUMENTS

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

During the year, 1 Director exercised options under the Barclays PLC Sharesave Scheme and Long Term Incentive schemes (2013 nil).

#### 8. STAFF COSTS

There were no employees employed by the Company during the year ended 31 December 2014 (2013 nil).

#### 9. TAXATION

	2014 £	2013 £
UK Corporation tax	4,055,959	5,203,739
Total tax charge	<u>4,055,959</u>	<u>5,203,739</u>

The UK corporation tax charge is based on the UK corporation tax rate of 21.5% (2013 23.25%).

A numerical reconciliation of the applicable tax rate and the average effective tax rate is as follows:

	2014 £	2013 £
Profit before tax	18,864,927	22,381,673
Profit multiplied by the blended rate of corporation tax in the UK of 21.5% (2013 23.25%)	4,055,959	5,203,739
Total tax charge	<u>4,055,959</u>	<u>5,203,739</u>

# CUTH INVESTMENTS LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 10. LOANS AND ADVANCES

	2014 £	2013 £
Loans and advances to parent undertaking	2,104,216,267	2,105,277,366
	<u>2,104,216,267</u>	<u>2,105,277,366</u>

Amounts due from parent undertaking represent principal and accrued interest on deposit with Gallen Investments Limited of

- principal of £7,326,958 with interest bearing at 12M GBP LIBOR and maturing on 20 December 2016
- principal of £2,080,533,982 with interest bearing at 12M GBP LIBOR and maturing on 16 February 2017

The above loans have been classified as current loans as they may be prepaid at any time before the maturity at one business day's notice

### 11. BORROWINGS

	2014 £	2013 £
Amounts due to group undertaking	23,129,004	43,392,440
Amounts due to parent undertaking	1,490,000	1,490,000
	<u>24,619,004</u>	<u>44,882,440</u>

Amounts due to group undertaking represent borrowings with Barclays Bank Plc of principal of £23,082,148 with interest bearing at 1M GBP LIBOR and maturing on 13 January 2015

Amounts due to parent undertaking represent redeemable preference shares issued to Gallen Investments Limited



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**NOTES TO THE FINANCIAL STATEMENTS (continued)****11. BORROWINGS (continued)**

The company has issued preference shares as follows

	2014 £	2013 £
Authorised 1,490,000 (2013 1,490,000) Redeemable preference shares of £1 each	1,490,000	1,490,000
Allotted and fully paid 1,490,000 (2013 1,490,000) Redeemable preference shares of £1 each	1,490,000	1,490,000

The authorised and issued redeemable preference shares have no voting rights

The redeemable preference shares can be redeemed at any time at the option of the Company within one business days notice or if required by a majority of preference shareholders within two business days notice. On redemption, the shares entitle the holder to redemption proceeds consisting of dividends declared but not paid and the nominal amount plus premium paid up on the redeemable preference shares. The dividends on the redeemable preference shares are discretionary.

**12. CURRENT TAXATION**

	2014 £	2013 £
Group relief (payable) / receivable	(3,983,318)	509,934
	(3,983,318)	509,934

**13. CALLED UP SHARE CAPITAL**

	Number of shares	Notional value of Share capital	Share premium	Total GBP Equivalent
Ordinary Shares issued	1	\$ 1	-	£ 1
Ordinary Shares issued	9,999	£ 9,999	-	£ 9,999
Class A Residual Shares issued	1,440,000,000	£14,400,000	£1,425,600,000	£1,440,000,000
Class B Residual Shares issued	560,000,000	£5,600,000	£ 554,400,000	£560,000,000
As at 31 December 2014 and 31 December 2013				£2,000,010,000

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**NOTES TO THE FINANCIAL STATEMENTS (continued)****13. CALLED UP SHARE CAPITAL (continued)**

	2014 Total GBP Equivalent	2013 Total GBP Equivalent
Authorised		
1 (2013 1) Ordinary share of \$1	1	1
9,999 (2013 9,999) Ordinary shares of £1 each	9,999	9,999
1,440,000,000 (2013 1,440,000,000) Class A Residual shares of £0.01 each	14,400,000	14,400,000
560,000,000 (2013 560,000,000) Class B Residual shares of £0.01 each	5,600,000	5,600,000
5,000,000,000 (2013 5,000,000,000) Class C shares of £0.01 each	50,000,000	50,000,000
Allotted and fully paid		
1 (2013 1) Ordinary share of \$1 each at par	1	1
9,999 (2013 9,999) Ordinary shares of £1 each at par	9,999	9,999
1,440,000,000 (2013 1,440,000,000) Class A Residual shares of £0.01 each at a premium of £0.99 each	1,440,000,000	1,440,000,000
560,000,000 (2013 560,000,000) Class B Residual shares of £0.01 each at a premium of £0.99 each	560,000,000	560,000,000
	<u>2,000,010,000</u>	<u>2,000,010,000</u>

The ordinary Class A Residual, Class B Residual and Class C shares are non-redeemable and the dividends are discretionary

All share classes are entitled to a discretionary dividend, to be declared in the following order: first the Class C shares, followed by the redeemable preference shares, then the ordinary shares, and finally and *pari passu* the Class A residual shares and the Class B residual shares

However, in the event of a winding up, the payment of declared but unpaid dividends and the repayment of share capital will take place as follows, Class C Shares followed by Redeemable Preference shares and finally the ordinary shares. The balance of any surplus thereafter shall be payable *pari passu* on the Class A and Class B residual shares

## CUTH INVESTMENTS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### 14. RETAINED EARNINGS

	£
As at 1 January 2014	61,613,621
Profit after tax	14,808,968
As at 31 December 2014	<u>76,422,589</u>
As at 1 January 2013	44,435,687
Profit after tax	17,177,934
As at 31 December 2013	<u>61,613,621</u>

#### 15. PARENT UNDERTAKING AND ULTIMATE HOLDING COMPANY

The parent of the Company is Gallen Investments Limited. The parent undertaking of the smallest group that includes the Company that presents consolidated financial statements is Barclays Bank PLC. The ultimate holding company and the parent company of the largest group that includes the Company that presents group financial statements is Barclays PLC. Both companies are incorporated in the United Kingdom and registered in England. Barclays Bank PLC's and Barclays PLC's statutory financial statements are available from the Barclays Corporate Secretariat, 1 Churchill Place London E14 5HP.

#### 16. RELATED PARTIES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the party in making financial or operational decisions, or one other party controls both.

The definition of related parties includes parent company, ultimate parent company, subsidiary as well as the Company's key management which includes its Directors.

Gallen Investments Limited is the parent undertaking and controlling party. During the year there have been no other transactions with related parties other than transactions disclosed in notes to the financial statements. Cash and cash equivalents are held with a fellow group undertaking.