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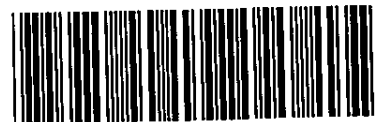
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# **SPOONHILL INVESTMENTS LIMITED**

**Report and Financial Statements  
For the year ended 31 December 2013**

**REGISTERED NUMBER IN ENGLAND AND WALES: FC028237  
REGISTERED NUMBER IN CAYMAN ISLANDS: MC-204545**

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**SPOONHILL INVESTMENTS LIMITED**  
Registered Number in England & Wales FC028237

**DIRECTORS' REPORT**  
**For the year ended 31 December 2013**

The directors present their report together with the audited financial statements for the year ended 31 December 2013

**Review of business and future outlook**

The principal activity of the Company is to act as an investment company. No significant change in this activity is envisaged in the foreseeable future and the directors expect the company's performance to be in line with the current year.

The directors have reviewed the Company's business and performance and consider it to be satisfactory for the 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.

Given the nature of the business, the Company's directors are of the opinion that analysis using Key Performance Indicators (KPIs) is not necessary for an understanding of the development, performance or position of the business.

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of the 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.

**Comparability of comparatives**

The current year figures are not comparable to the prior period's figures since the financial periods have changed.

**Results and dividends**

During the year from 1 January 2013 to 31 December 2013 the Company made a profit after tax of £56,487,475 (period from 1 July 2011 to 31 December 2012 £112,409,957). The directors declared and paid a dividend of £60,000,000 during the year ended 31 December 2013 (period from 1 July 2011 to 31 December 2012 £100,407,618).

**Directors**

The directors of the Company, who served during the year, together with their dates of appointment and resignation, where appropriate, are as shown below.

A Jordanov  
E Khairov  
R Stokes  
M Treharne (Resigned on 21 February 2013)

**Directors' third party indemnity provisions**

Qualifying third party indemnity provisions were in force during the course of the financial year ended 31 December 2013 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.

## **SPOONHILL INVESTMENTS LIMITED**

Registered Number in England & Wales. FC028237

### **DIRECTORS' REPORT**

For the year ended 31 December 2013 (continued)

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

The following statement, which should be read in conjunction with the Auditors' Report, is made with a view to distinguishing for shareholders the respective responsibilities of the Directors and of the Auditors in relation to the financial statements

The Directors are required by the Companies Act 2006 as applicable to overseas companies to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss for the financial year

The Directors consider that in preparing the financial statements

- the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and
- that the financial statements have been prepared on a going concern basis

The Directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure the financial statements comply with the Companies Act 2006, as applicable to overseas companies

The Directors in office as at the date of this report confirm that

- there is no relevant audit information of which the company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's Auditors are aware of that information

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities

#### **Financial instruments**

The Company operates within the Barclays financial risk management objectives and policies. These include a policy for hedging each major type of forecasted transaction for which hedge accounting is used. The exposures to price risk, credit risk and liquidity risk are set out in the Group's annual report which does not form part of this report

## **SPOONHILL INVESTMENTS LIMITED**

Registered Number in England & Wales FC028237

### **DIRECTORS' REPORT**

For the year ended 31 December 2013 (continued)

#### **Independent Auditors**

The directors have appointed PricewaterhouseCoopers LLP as auditors to the Company  
PricewaterhouseCoopers LLP have indicated their willingness to continue in office

ON BEHALF OF THE BOARD



Director

Name R Stokes

Date 12 June 2014

For and on behalf of  
Spoonhill Investments Limited

## **SPOONHILL INVESTMENTS LIMITED**

Registered Number in England & Wales FC028237

### **STRATEGIC REPORT**

**For the year ended 31 December 2013**

#### **Review and principal activities**

The principal activity of the Company is to act as an investment company. No significant change in this activity is envisaged in the foreseeable future and the directors expect the company's performance to be in line with the current year.

#### **Business performance**

The results of the Company show profit after tax of £56,487,475 (period from 1 July 2011 to 31 December 2012 £112,409,957). The Company had net assets of £11,340,118 as at 31 December 2013 (31 December 2012 £14,852,643).

#### **Future outlook**

No significant change in the principal activity is envisaged in the foreseeable future and the directors expect the company's performance 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.

ON BEHALF OF THE BOARD



Director

Name R Stokes

Date 12 June 2014

For and on behalf of

Spoonhill Investments Limited

## **INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF SPOONHILL INVESTMENTS LIMITED**

We have audited the financial statements of Spoonhill Investments Limited for the year ended 31 December 2013 which comprise the Income Statement, the Balance Sheet, and the related notes. These financial statements have been prepared on the basis of preparation and accounting policies set out in notes 2 and 3 to the financial statements.

### **Respective responsibilities of the directors and auditors**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements in accordance with the basis of preparation and accounting policies in notes 2 and 3 to the financial statements and the Companies Act 2006 as applicable to overseas companies. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. 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. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

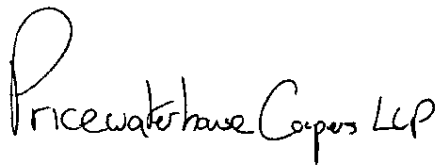
In our opinion the financial statements for the year ended 31 December 2013 have been properly prepared, in all material respects, in accordance with

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

**INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF SPOONHILL INVESTMENTS LIMITED (continued)**

**Basis of preparation**

Without modifying our opinion, we draw attention to notes 2 and 3 of the financial statements which discloses the basis of preparation. The financial statements have been prepared for the directors for management purposes and may not be suitable for another purpose.

A handwritten signature in black ink that reads "PricewaterhouseCoopers LLP". The signature is written in a cursive, flowing style.

PricewaterhouseCoopers LLP  
Chartered Accountants  
London, United Kingdom  
Date 17 June 2014

**SPOONHILL INVESTMENTS LIMITED**

Registered Number in England &amp; Wales FC028237

**INCOME STATEMENT****FOR THE YEAR ENDED 31 DECEMBER 2013**

	Notes	Year ended 31 December 2013 £	Period from 1 July 2011 to 31 December 2012 £
<b>Continuing operations:</b>			
Interest receivable and similar income	4	73,599,316	149,879,953
Interest payable and similar charges	5	-	(10)
		<hr/>	<hr/>
Profit on ordinary activities before tax	6	73,599,316	149,879,943
Taxation	9	(17,111,841)	(37,469,986)
		<hr/>	<hr/>
Profit after tax	14	56,487,475	112,409,957
		<hr/>	<hr/>

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

For both the current and prior year, 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.

**SPOONHILL INVESTMENTS LIMITED**

Registered Number in England &amp; Wales FC028237

**BALANCE SHEET AS AT 31 DECEMBER 2013**

	Notes	31 December 2013 £	31 December 2012 £
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		222,635	75,037
Loans and advances	11	6,682,142,493	6,694,859,405
<b>Total current assets</b>		<b>6,682,365,128</b>	<b>6,694,934,442</b>
<b>TOTAL ASSETS</b>		<b>6,682,365,128</b>	<b>6,694,934,442</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Borrowings	13	(6,654,026,631)	(6,654,026,631)
Current taxation	12	(16,998,379)	(26,055,168)
<b>Total current liabilities</b>		<b>(6,671,025,010)</b>	<b>(6,680,081,799)</b>
<b>TOTAL LIABILITIES</b>		<b>(6,671,025,010)</b>	<b>(6,680,081,799)</b>
<b>NET ASSETS</b>		<b>11,340,118</b>	<b>14,852,643</b>
<b>SHAREHOLDER'S EQUITY</b>			
Called up share capital	14	10,000	10,000
Retained earnings	15	11,330,118	14,842,643
<b>TOTAL EQUITY</b>		<b>11,340,118</b>	<b>14,852,643</b>

The accompanying notes form an integral part of the financial statements

The financial statements on pages 7 to 17 were approved by the Board of directors and authorised for issue on 12 June 2014 were signed on its behalf by



Director

Name R Stokes

Date 12 June 2014

# **SPOONHILL INVESTMENTS LIMITED**

Registered Number in England & Wales FC028237

## **NOTES TO THE FINANCIAL STATEMENTS**

### **1 REPORTING ENTITY**

The financial statements are prepared for Spoonhill 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 Wessex 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 Spoonhill Investments Limited.

The Company is a limited company incorporated and domiciled in the Cayman Islands and has a registered branch in England and Wales. The Company's registered office is

PO Box 309  
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

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.

### **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.

## **SPOONHILL INVESTMENTS LIMITED**

Registered Number in England & Wales: FC028237

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

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

##### **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 pound sterling, which is the Company's functional and presentation currency.

##### **Interest**

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

The effective interest rate is the rate that exactly discounts the expected future cash payments or receipts through the expected life of the financial instrument, or when appropriate, a shorter year, 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 year to maturity or repayment.

##### **Foreign exchange**

Foreign currency transactions are translated into pound sterling using the spot exchange rates prevailing at the dates of the transactions or are translated at average rates of exchange during the year.

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 income statement except for items that are designated as hedging instruments in qualifying cash flow hedges or hedges of net investments, translation differences for which are recognised in equity.

##### **Taxation**

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

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

##### **Loans and advances**

Loans and advances are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and advances are recorded on balance sheet according to the substance of the contractual arrangement entered into. Loans and advances are initially recorded at fair value including direct and incremental transaction costs. They are subsequently valued at amortised cost, less any amounts that have been provided for to reflect impairment in the value of the investment, where there is objective evidence of impairment. Income is recognised in the income statement, using the effective interest rate which discounts estimated future cash flows through the life of the financial asset to that asset's net carrying value.

## **SPOONHILL INVESTMENTS LIMITED**

Registered Number in England & Wales: FC028237

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

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

##### **Borrowings**

Borrowings / Debt securities entered into and debt securities issued by the Company are recognised as a liability when a contractual agreement results in the Company having a present obligation to deliver cash or another financial asset to the holder. The liability is initially recognised at fair value and amortised to the redemption value using the effective rate of interest over the life of the instrument.

Borrowing costs, including interest, gains and losses are recognised in the income statement as income or expense in the year in which they are incurred.

The redeemable preference Shares and Class 1 preference shares issued by the Company have been classified as compound financial instruments and are split into a debt component, relating to the contractual obligation to repay the redemption amount and an equity component, relating to the right to discretionary dividends.

##### **Share capital**

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

##### **Dividends on ordinary shares**

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

##### **New and revised standards affecting presentation and disclosure only**

###### *Amendments to IFRS 7 Financial Instruments Disclosures*

Amendments to IFRS 7. The amendments increase the disclosure requirements for transaction involving transfer of financial assets. These amendments are intended to provide greater transparency around risk exposures when a financial asset is transferred but the transferor retains some level of continuing exposure in the asset. The amendments also require disclosures where transfers of assets are not evenly distributed throughout the period.

The directors do not anticipate that amendments to IFRS will have a significant effect on the Company's disclosures however if the company enters into such transactions in the future, disclosures in compliance with these amendments to IFRS 7 will be required.

###### *Amendment to IAS 1*

The amendment clarifies that an entity may choose to disclose an analysis of other comprehensive income by item in the statement of changes in equity or in the notes to the financial statements.

The Company has chosen to continue with the former presentation, disclosing the analysis of profit for the financial year by item, in the statement of changes of equity.

## **SPOONHILL INVESTMENTS LIMITED**

Registered Number in England & Wales: FC028237

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

#### **Impairment of financial assets**

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a portfolio of financial assets, including trade receivables, is impaired. The factors that the Company takes into account include significant financial difficulties of the debtor or the issuer, a breach of contract or default in payments, the granting by the Company of a concession to the debtor because of a deterioration in its financial condition, the probability that the debtor will enter into bankruptcy or other financial reorganisation, or, in the disappearance of an active market for a security because of the issuer's financial difficulties.

Impairment allowances are calculated, based on the difference between the carrying amount of the asset and its estimated recoverable amount, calculated by reference to the expected cash flows from it discounted at the original effective interest rate for the asset.

#### **4. INTEREST RECEIVABLE AND SIMILAR INCOME**

	Year ended 31 December 2013	Period from 1 July 2011 to 31 December 2012
	£	£
Interest receivable from group undertakings	73,599,316	149,879,953
	<u>73,599,316</u>	<u>149,879,953</u>

#### **5. INTEREST PAYABLE AND SIMILAR CHARGES**

	Year ended 31 December 2013	Period from 1 July 2011 to 31 December 2012
	£	£
Interest payable to group undertaking	-	10
	<u>-</u>	<u>10</u>

#### **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 £3,950 (period from 1 July 2011 to 31 December 2012: £3,950) for the year. 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 (period from 1 July 2011 to 31 December 2012: £nil).

**SPOONHILL INVESTMENTS LIMITED**

Registered Number in England &amp; Wales FC028237

**NOTES TO THE FINANCIAL STATEMENTS (continued)****8. STAFF COSTS**

There were no employees employed by the Company during 2013 (period from 1 July 2011 to 31 December 2012 none)

**9. TAXATION**

	Year ended 31 December 2013	Period from 1 July 2011 to 31 December 2012
	£	£
UK corporation tax	17,111,841	37,469,986
Total current tax	<u>17,111,841</u>	<u>37,469,986</u>

The UK corporation tax charge is based on the UK corporation tax rate of 23.25% (period from 1 July 2011 to 31 December 2012. 25%)

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

	Year ended 31 December 2013	Period from 1 July 2011 to 31 December 2012
	£	£
Profit on ordinary activities before tax	73,599,316	149,879,943
Profit on ordinary activities multiplied by the rate of corporation tax rate in the UK of 23.25% (period from 1 July 2011 to 31 December 2012. 25%)	17,111,841	37,469,986
Tax charge	<u>17,111,841</u>	<u>37,469,986</u>

**SPOONHILL INVESTMENTS LIMITED**

Registered Number in England &amp; Wales FC028237

**NOTES TO THE FINANCIAL STATEMENTS (continued)****10. DIVIDENDS PAID**

	Year ended 31 December 2013	Period from 1 July 2011 to 31 December 2012
	£	£
<b>Class 1 Shares</b>		
2,000,451,470 shares at £0.01 per share (period from 1 July 2011 to 31 December 2012 2,000,451,470 shares at £0.01 per share)	18,038,237.77	25,554,168.75
<b>Redeemable Preference Shares</b>		
4,653,575,161 shares at £0.01 per share (period from 1 July 2011 to 31 December 2012 4,653,575,161 shares at £0.01 per share)	41,961,673.06	59,445,703.51
<b>GBP Ordinary Shares</b>		
9,999 shares at £0.01 per share (period from 1 July 2011 to 31 December 2012 9,999 shares at £0.01 per share)	90.16	127.73
<b>USD Ordinary Shares</b>		
1 share at £0.01 per share (period from 1 July 2011 to 31 December 2012 1 share at £0.01 per share)	0.01	0.01
<b>Total current tax</b>	<b>60,000,000</b>	<b>100,407,618</b>

**11. LOANS AND ADVANCES**

	Year ended 31 December 2013	Period ended 31 December 2012
	£	£
<b>Loans and advances to parent undertakings</b>	<b>6,682,142,493</b>	<b>6,694,859,405</b>
	<b>6,682,142,493</b>	<b>6,694,859,405</b>

Loans and advances to parent undertakings represent principal and accrued interest amounts receivable from Wessex Investments Limited and Barclays Bank Plc

On 10 October 2011, the Company loaned £6,633,527,097 to Wessex Investments Limited. With a maturity date of 10 October 2016, interest on the loan is payable on an annual basis at a rate equal to GBP 12MTH LIBOR. Wessex Investments Limited has the right, at any time before the repayment date, to repay the loan at 1 business day's notice.

On 16 October 2013, the Company loaned £17,867,145.47 to Wessex Investments Limited. With a maturity date of 16 October 2014, interest on the loan is payable on an annual basis at a rate equal to GBP 12MTH LIBOR.

## SPOONHILL INVESTMENTS LIMITED

Registered Number in England & Wales: FC028237

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### 11. LOANS AND ADVANCES (continued)

On 23 October 2013, the Company loaned £17,442,802.99 to Barclays Bank PLC. Interest on the loan is payable on a semi-annual basis at a rate equal to GBP 6MTH LIBOR. The loan was repaid on 23 April 2014.

#### 12. CURRENT TAXATION

	Year ended 31 December 2013 £	Period ended 31 December 2012 £
Group relief payable	16,998,379	26,055,168

#### 13. BORROWINGS

	Year ended 31 December 2013 £	Period ended 31 December 2012 £
Redeemable preference shares issued to parent undertaking	4,653,575,161	4,653,575,161
Class 1 preference shares issued to group undertaking	2,000,451,470	2,000,451,470
	6,654,026,631	6,654,026,631

The Company has redeemable preference shares as follows:

	Year ended 31 December 2013 £	Period ended 31 December 2012 £
<b>Authorised:</b>		
5,400,490,000 (2012: 5,400,490,000) Preference shares of £1.00 each	5,400,490,000	5,400,490,000
5,000,000,000 (2012: 5,000,000,000) Class 1 shares of £0.01 each	50,000,000	50,000,000
	5,450,490,000	5,450,490,000

**SPOONHILL INVESTMENTS LIMITED**

Registered Number in England &amp; Wales FC028237

**NOTES TO THE FINANCIAL STATEMENTS (continued)****13 BORROWINGS (continued)**

	Year ended 31 December 2013 £	Period ended 31 December 2012 £
<b>Allotted and fully paid.</b>		
4,653,575,161 (2012 4,653,575,161) Preference shares of £1 00 each (par)	4,653,575,161	4,653,575,161
2,000,451,470 (2012 2,000,451,470) Class 1 Preference shares of £0 01 (par)	20,004,515	20,004,515
2,000,451,470 (2012 2,000,451,470) Class 1 Preference shares of £0 99 (premium)	1,980,446,955	1,980,446,955
	<u>6,654,026,631</u>	<u>6,654,026,631</u>

The fair value of the preference shares and class 1 shares approximates their carrying values as they can be redeemed in full at par at any time, at the option of the Company and in full at the option of the majority of the shareholders of the respective class, or by any individual shareholder of a respective class subject to the prior approval of the Company provided not less than one business day's notice is given. The redeemable preference shares and Class 1 shares have no voting rights and the dividends on these shares are discretionary.

**14. CALLED UP SHARE CAPITAL**

	Number of shares	Ordinary shares £
1 Ordinary share of \$1 00 each issued	1	1
9,999 Ordinary shares of £1 00 each issued	9,999	9,999
<b>As at 31 December 2013 and 31 December 2012</b>	<u>10,000</u>	<u>10,000</u>

	31 December 2013 £	31 December 2012 £
<b>Authorised</b>		
1 (2012 1) Ordinary share of \$1 00 each	1	1
9,999 (2012 9,999) Ordinary shares of £1 00 each	9,999	9,999
<b>Allotted and fully paid.</b>		
1 (2012 1) Ordinary share of \$1 00 each at par	1	1
9,999 (2012 9,999) Ordinary shares of £1 00 each at par	9,999	9,999

The holders of the GBP and USD Ordinary shares carry 99.99% and 0.01% of the voting rights respectively.

## SPOONHILL INVESTMENTS LIMITED

Registered Number in England & Wales: FC028237

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### 14 CALLED UP SHARE CAPITAL (continued)

The Ordinary shares are not redeemable and are entitled to discretionary dividends out of funds of the Company legally available for distribution to the extent of available profits (including share premium) after dividends on the Preference Shares and Class 1 Shares have first been paid or provided for in full

Upon winding up, the liquidation entitlement to the holders of the Ordinary shares ranks below that of the Preference and Class 1 shareholders and is based on the residual net assets after paying all the amounts due to them

#### 15. RETAINED EARNINGS

	Retained earnings £	Total £
As at 1 January 2013	14,842,643	14,842,643
Profit after tax	56,487,475	56,487,475
Dividends paid	<u>(60,000,000)</u>	<u>(60,000,000)</u>
As at 31 December 2013	<u>11,330,118</u>	<u>11,330,118</u>
As at 1 July 2011	2,840,304	2,840,304
Profit after tax	112,409,957	112,409,957
Dividends paid	<u>(100,407,618)</u>	<u>(100,407,618)</u>
As at 31 December 2012	<u>14,842,643</u>	<u>14,842,643</u>

#### 16. ULTIMATE HOLDING COMPANY

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

#### 17. RELATED PARTY TRANSACTIONS

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

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

Wessex 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 4, 5, 6, 10, 11, 12 and 13 and cash and cash equivalents.