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GIRONDE INVESTMENTS LIMITED

**Report and Financial Statements
For the year ended 31 December 2010**



**REGISTERED NUMBER (ENGLAND AND WALES): FC029280
REGISTERED NUMBER (CAYMAN ISLANDS): MC 231404**

GIRONDE INVESTMENTS LIMITED

Registered number in England and Wales FC029280

DIRECTORS' REPORT

For the year ended 31 December 2010

The Directors present their report together with the audited financial statements for the year ended 31 December 2010

Change in 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 accounts

This is the first set of financial statements prepared by the Company in accordance with the Regulations

Previously the Company prepared its financial statements in accordance with International Financial Reporting Standards ("IFRSs") 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

The directors have changed the accounting framework following an internal assessment on preparing financial statements under IFRS The Directors concluded that preparation of financial statements under IFRSs entailed a disproportionate expense to the benefit arising Following this, the Directors elected to prepare accounts under the Regulations

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 period

The Directors have reviewed the Company's business and performance and consider it to be satisfactory for the period The Directors consider that the Company's position at the end of the period 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

Results and dividends

During the year ended 31 December 2010 the Company made a profit after tax of £3,676,392 (period from 29 September 2009 to 31 December 2009 £657) The Directors did not declare an ordinary dividend during the year (period from 29 September 2009 to 31 December 2009: nil) The Company has net assets of £8,522,714 (31 December 2009 £4,999,802)

GIRONDE INVESTMENTS LIMITED

Registered number in England and Wales FC029280

DIRECTORS' REPORT (continued)

For the year ended 31 December 2010

Directors

The Directors of the Company, who served during the period, together with their dates of appointment and resignation, are as shown below

A Loveridge (resigned 7 May 2010)
C Lykhman (appointed 11 May 2010)
G Brawn
N Brand
S Ullman

Since the year end, A Hudd and G Clark were appointed as Directors on 31 August 2011, S Ullman resigned as a director on 19 August 2011 and G Brawn was removed as a Director on 31 August 2011. N Abhat was appointed as a Director on 12 October 2011 and A Hudd resigned as a Director on the 11 October 2011.

Directors' third party indemnity provisions

Qualifying third party indemnity provisions were in force during the course of the financial year ended 31 December 2010 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.

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

GIRONDE INVESTMENTS LIMITED

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DIRECTORS' REPORT (continued)

For the year ended 31 December 2010

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.

Auditors

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

BY ORDER OF THE BOARD



Director

Name

Nick Brand

Date

28.11.2011

For and on behalf of Gironde Investments Limited

GIRONDE INVESTMENTS LIMITED

Registered number in England and Wales FC029280

INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF GIRONDE INVESTMENTS LIMITED

We have audited the financial statements of Gironde Investments Limited for the year ended 31 December 2010 which comprises the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, and the related notes. These financial statements have been prepared on the basis of preparation and accounting policies set out in the notes 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 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.

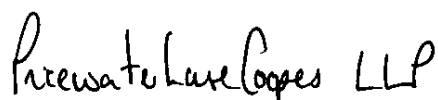
Opinion on financial statements

In our opinion the financial statements for the year ended 31 December 2010 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.

Basis of preparation

Without modifying our opinion, we draw attention to note 2 to 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.



PricewaterhouseCoopers LLP
Chartered Accountants
London, United Kingdom

Date 29 November 2011

GIRONDE INVESTMENTS LIMITED

Registered number in England and Wales FC029280

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2010**

	Notes	Year ended 31 December 2010	Period from 29 September to 31 December 2009
		£	£
Continuing operations			
Interest receivable and similar income	4	51,439	913
Interest payable and similar charges		(77)	-
Net interest income		<u>51,362</u>	<u>913</u>
Income received from subsidiary undertakings	5	3,739,515	-
Foreign exchange gain	6	22,580	-
Administration expenses	19	(130,239)	-
Profit on ordinary activities before taxation	7	<u>3,683,218</u>	<u>913</u>
Taxation	10	(6,826)	(256)
Profit after tax for the year/period		<u><u>3,676,392</u></u>	<u><u>657</u></u>

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

GIRONDE INVESTMENTS LIMITED

Registered number in England and Wales: FC029280

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2010**

	Year ended 31 December 2010	Period from 29 September to 31 December 2009
	£	£
Net profit for the year / period	3,676,392	657
Other comprehensive expenses:		
Fair value loss on available for sale Investments	(153,037)	(1,188)
Tax on fair value (loss)/gain on available for sale Investments	(443)	333
Other comprehensive expense for the year net of tax	(153,480)	(855)
Total comprehensive income/(loss) for the year / period	3,522,912	(198)

GIRONDE INVESTMENTS LIMITED
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BALANCE SHEET AS AT 31 DECEMBER 2010

	Notes	31 December 2010 £	31 December 2009 £
ASSETS			
Non-current assets			
Investment in subsidiaries	11	500,000,000	500,000,000
Total non-current assets		500,000,000	500,000,000
Current assets			
Available for sale investments	12	5,089,244	974,326
Current taxation	13	-	77
Cash at hand		4,119,144	25,399
Total current assets		9,208,388	999,802
TOTAL ASSETS		509,208,388	500,999,802
Current liabilities			
Borrowings	14	(500,400,000)	(496,000,000)
Derivative financial instruments	15	(148,156)	-
Current taxation	13	(7,279)	-
Other liabilities		(130,239)	-
Total current liabilities		(500,685,674)	(496,000,000)
Net current liabilities		(491,477,286)	(495,000,198)
TOTAL LIABILITIES		(500,685,674)	(496,000,000)
NET ASSETS		8,522,714	4,999,802
SHAREHOLDERS' EQUITY			
Called up share capital	16	50,000	50,000
Share premium	16	4,950,000	4,950,000
Available for sale reserve	17	(154,335)	(855)
Retained earnings	17	3,677,049	657
TOTAL SHAREHOLDERS' EQUITY		8,522,714	4,999,802

The accompanying notes form an integral part of the financial statements

The financial statements were approved by the Board of Directors and authorised for issue on November and were signed on its behalf by

Name of Director

Date

Nick Brind

28.11.2011

GIRONDE INVESTMENTS LIMITED

Registered number in England and Wales: FC029280

NOTES TO THE FINANCIAL STATEMENTS

1 REPORTING ENTITY

The financial statements are prepared for Gironde 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 Barclays Bank PLC and its ultimate parent company is Barclays PLC. Barclays PLC prepares consolidated financial statements in accordance with IFRS as adopted by European Union, and accordingly consolidated financial statements have not been prepared for Gironde Investments Limited.

Gironde Investments Limited is a limited company incorporated in the Cayman Islands and has a registered UK establishment 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 accounts.

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

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.

The Company has made full retrospective application of Section 396 as modified by SI 2009/1801 of Companies Act 2006 for presentation and disclosure purposes in its Financial Statements.

GIRONDE 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 Pound Sterling, which is the Company's functional and presentation currency.

Revenue Recognition

Revenue is recognised in the profit and loss account 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.

Fees and commissions

Fees and commissions are recognised in the profit and loss account on an accruals basis as the service is provided.

Borrowings

Borrowings refer to debt securities issued by the Company, including preference shares. They 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 are charged as an expense to the profit and loss account in the period in which they are incurred.

The Class A 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.

Interest

Interest income or expense is recognised on all interest bearing financial instruments classified as available-for-sale or other loans and advances, and on 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 (or expense) receivable (or payable) on the instrument evenly in proportion to the amount outstanding over the period to maturity or repayment.

Dividend income

Dividend income is recognised in the profit and loss account on the date the Company becomes entitled to receive a dividend under a contractual agreement.

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 probable that it is recoverable by offset against current or future taxable profits.

GIRONDE INVESTMENTS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Available-for-sale investments

Available for sale investments are non-derivative financial investments. They are initially recognised at fair value including direct and incremental transaction costs. They are subsequently held at fair value, and gains and losses arising from changes in fair value are included as a separate component of equity until sale or impairment when the cumulative gain or loss is transferred to the profit and loss account. The assets are derecognised when the rights to receive cash flows have expired or the Company has transferred substantially all the risks and rewards of ownership.

Loans and advances

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 profit and loss account, 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.

Determining fair value

Where the classification of a financial instrument requires it to be stated at fair value, this is determined by reference to the quoted market value in an active market wherever possible. Where no such active market exists for the particular asset, the Company uses a valuation technique to arrive at the fair value, including the use of prices obtained in recent arms' length transactions, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants.

Valuation Methodology

The following fair value classifications are used when determining the fair value of assets and liabilities in the financial risks note:

Level 1

Financial instruments for which their valuations are determined by reference to unadjusted quoted prices for identical assets or liabilities in active markets where the quoted price is readily available and the price represents actual and regularly occurring market transactions on an arm's length basis.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (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.

Share Capital

Share capital is 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 period in which they are paid or, if earlier, approved by the Company's shareholders.

Derivative financial instruments

The Company is party to financial instruments that reduce exposure to fluctuations in foreign currency exchange. These instruments comprise cross currency swap contracts. The purpose of these instruments is to reduce exchange risk.

Derivatives are measured at fair value on initial recognition and subsequently the resulting gains and losses are taken to the profit and loss account, except for derivatives held to hedge the Company's foreign currency exposures. The fair value of derivatives is generally determined by reference to open market prices or by calculating the expected cash flows under the terms of each specific contract, discounted back to their present value using an appropriate market based pricing model.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Hedge accounting

The Company holds derivatives for risk management purposes that qualify as fair value hedges. The Company formally documents the relationship between the hedging instrument and the hedged item as well as its risk management objectives and its strategy for undertaking the various hedging transactions. The Company assesses at inception, and on an on-going basis, whether the derivative being used in the hedging transaction is highly effective in offsetting changes in the fair of the hedged item.

In certain circumstances the Company may decide to cease hedge accounting even though the hedge relationship continues to be highly effective by no longer designating the financial instrument as a hedging instrument.

Fair value hedge accounting

Changes in the fair value of derivatives that qualify and are designated as fair value hedges are recorded in the profit and loss account, together with changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

If the hedge no longer meets the criteria for hedge accounting, it is discontinued and the fair value adjustment, cumulatively made to the carrying value of the hedged item is, for items carried at amortised cost, amortised over the period to maturity of the previously designated hedge relationship using the effective interest method.

If the hedged item is sold or repaid, the unamortised fair value adjustment is recognised immediately in the profit and loss account.

4 INTEREST RECEIVABLE AND SIMILAR INCOME

	Year ended 31 December 2010	Period from 29 September to 31 December 2009
	£	£
Interest receivable on available for sale asset	5,236	913
Interest receivable from group undertakings	46,203	-
	<u>51,439</u>	<u>913</u>

5. INCOME RECEIVED FROM SUBSIDIARY UNDERTAKINGS

	Year ended 31 December 2010	Period from 29 September to 31 December 2009
	£	£
Dividend receivable from subsidiary undertakings	3,739,515	-
	<u>3,739,515</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS (continued)

6. FOREIGN EXCHANGE GAIN

	Year ended 31 December 2010	Period from 29 September to 31 December 2009
	£	£
Mark to market loss on cross currency swap designated as part of fair value hedge	(148,156)	-
Foreign exchange gain on hedged items designated in fair value hedge		
- Euro denominated investments	67,481	-
- Euro denominated deposits	98,741	-
Other foreign exchange gain	4,514	-
	<u>22,580</u>	<u>-</u>

7. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

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 £7,300 for the year ended 31 December 2010 (period ended 31 December 2009: £7,300). This fee is not recognised as an expense in the financial statements.

8. DIRECTORS' EMOLUMENTS

The directors did not receive any emoluments in respect of their services to the Company during the year (period ended 31 December 2009: nil).

9. STAFF COSTS

There were no employees employed by the Company during the year ended 31 December 2010.

10. TAXATION

	Year ended 31 December 2010	Period from 29 September to 31 December 2009
	£	£
Taxation charged to the profit and loss account		
UK corporation tax	6,826	256
	<u>6,826</u>	<u>256</u>

The UK corporation tax charge is based on the UK corporation tax rate of 28% (Period ended 31 December 2009: 28%).

GIRONDE INVESTMENTS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS (continued)**10. TAXATION (continued)**

The overall tax charge is explained in the following table

	Year ended December 2010 £	Period from 29 September to December 2009 £
Profit on ordinary activities before tax	3,683,218	913
Profit on ordinary activities multiplied by the rate of corporation tax in the UK of 28%	1,031,302	256
Non taxable dividends received	(1,047,065)	-
Non-deductible foreign exchange loss on hedging instrument	41,484	-
Non-taxable foreign exchange gain on hedged items	(18,895)	-
Current tax (credit)/charge for the year	6,826	256

The tax effects relating to each component of other comprehensive income were as follows

For the year ended 31 December 2010

	Before Tax Amount £	Tax charge £	Net of tax amount £
Available for sale assets	(1,583)	443	(1,140)

The tax effects relating to each component of other comprehensive income were as follows

For the period ended 31 December 2009

	Before Tax Amount £	Tax credit £	Net of tax amount £
Available for sale assets	1,188	(333)	855

GIRONDE INVESTMENTS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS (continued)**11. INVESTMENT IN SUBSIDIARIES**

	Investment in Ordinary Shares £	Total £
At 31 December 2010 and 31 December 2009	500,000,000	500,000,000

12. AVAILABLE FOR SALE INVESTMENTS

	Investment in Subsidiary £	2010 Investment in debt securities £	Total £
Opening Balance	-	974,326	974,326
Additions	6,890,278	462,711	7,352,989
Revaluation transferred to equity	(154,620)	1,583	(153,037)
Disposals	(2,644,719)	(478,401)	(3,123,120)
Amortisation	-	(45,751)	(45,751)
Accrued interest	-	16,356	16,356
Foreign Exchange	67,481	-	67,481
	4,158,420	930,824	5,089,244

	2009 Investment in debt securities £	Total £
Opening Balance	-	-
Additions	1,464,451	1,464,451
Revaluation deficit transferred to equity	(1,188)	(1,188)
Disposals	(486,315)	(486,315)
Amortisation	(10,466)	(10,466)
Accrued interest	7,844	7,844
	974,326	974,326

The investments above represent investments in UK debt securities and an investment in a subsidiary company

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NOTES TO THE FINANCIAL STATEMENTS (continued)**13 CURRENT TAXATION****Current tax**

	2010 £	2009 £
Group relief (payable)/receivable	(7,279)	77

14. BORROWINGS

	31 December 2010 £	31 December 2009 £
Opening balance of preference shares	496,000,000	-
Preference shares issued	4,400,000	496,000,000
Closing Balance of preference shares	500,400,000	496,000,000

The Company has issued preference shares as follows

	31 December 2010 £	31 December 2009 £
Authorised: 540,000,000 (2009 496,000,000) Preference Shares of £0.01 each	5,400,000	4,960,000
Allotted and fully paid: 500,400,000 (2009 496,000,000) Preference Shares of £0.01 each	5,004,000	4,960,000
Share Premium. 500,400,000 (2009 496,000,000) Preference Shares of £0.99 each	495,396,000	491,040,000
	500,400,000	496,000,000

The preference shares are redeemable by either the issuer or the holder on 1 business days notice. The preference shares do not carry any voting rights and are entitled to discretionary dividends. On a return of capital or winding-up, the assets available for distribution in the Company will first be applied to any outstanding declared preferential dividends, then in repaying the nominal amount of the preference shares and finally all remaining assets will be allocated to the ordinary share holders.

On the 26 July 2010 a further 4,400,000 Preference Shares of £0.01 each were issued and fully paid with a share premium of £0.99 per share.

NOTES TO THE FINANCIAL STATEMENTS (continued)

15 DERIVATIVES AND FINANCIAL INSTRUMENTS

The Company is also exposed to exchange rate risk caused by a mis-match in the currencies of the Company's assets and liabilities. In order to hedge the exchange rate mismatch of the Investment in Subsidiary, the Company entered into a cross currency swap. The hedge relationship is designated as a fair value hedge.

To manage all other currency exposures, the Company entered into forward exchange contracts to convert foreign currency receivable and payable balances into pound sterling positions.

The following table details the Company's derivative exposure as at the balance sheet date.

Financial liabilities – derivative financial instruments

	2010 Nominal £	2009 Nominal £	2010 Fair value £	2009 Fair value £
Derivatives designated as fair value hedges				
Cross currency swaps	4,316,021	-	(148,156)	-
	<u>4,316,021</u>	<u>-</u>	<u>(148,156)</u>	<u>-</u>

16. CALLED UP SHARE CAPITAL

	Number of shares	Ordinary shares £	Share premium £	Total £
As at 1 January 2010	5,000,000	50,000	4,950,000	5,000,000
As at 31 December 2010	<u>5,000,000</u>	<u>50,000</u>	<u>4,950,000</u>	<u>5,000,000</u>
As at 29 September 2009	-	-	-	-
Ordinary shares issued	5,000,000	50,000	4,950,000	5,000,000
As at 31 December 2009	<u>5,000,000</u>	<u>50,000</u>	<u>4,950,000</u>	<u>5,000,000</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

16 CALLED UP SHARE CAPITAL (continued)

	Period ending 31 December 2010 £	Period ending 31 December 2009 £
Authorised		
10,000,000 ordinary shares of £0.01 each	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
Allotted and fully paid:		
5,000,000 ordinary shares of £0.01	50,000	50,000
	<u>50,000</u>	<u>50,000</u>
Share Premium.		
5,000,000 ordinary shares of £0.99 each	4,950,000	4,950,000
	<u>4,950,000</u>	<u>4,950,000</u>
	<u>5,000,000</u>	<u>5,000,000</u>

The ordinary shares carry the right to one vote for each share held. The ordinary shares are not redeemable and receive dividends at the discretion of the directors. On a return of capital or winding-up, the assets available for distribution in the Company will first be applied to any outstanding declared preferential dividends, then in repaying the nominal amount of the preference shares and finally all remaining assets will be allocated to the ordinary share holders.

17 RETAINED EARNINGS AND OTHER RESERVES

	Available-for- sale reserve £	Retained earnings £	Total £
As at 1 January 2010	(855)	657	(198)
Net profit	-	3,676,392	3,676,392
Loss taken to equity	(153,480)	-	(153,480)
As at 31 December 2010	<u>(154,335)</u>	<u>3,677,049</u>	<u>3,522,714</u>
As at 29 September 2009	-	-	-
Net profit	-	657	657
Loss taken to equity	(855)	-	(855)
As at 31 December 2009	<u>(855)</u>	<u>657</u>	<u>(198)</u>

GIRONDE INVESTMENTS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS (continued)

18 ULTIMATE HOLDING COMPANY

Barclays Bank PLC is the parent undertaking and controlling party. 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 accounts is Barclays PLC. Both companies are incorporated in Great Britain and registered in England. Barclays Bank PLC's and Barclays PLC's statutory accounts are available from Barclays Corporate Secretariat, 1 Churchill Place, London E14 5HP.

19 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.

Barclays Bank PLC is the parent undertaking and controlling party. During the period there have been no other transactions with related parties other than transactions disclosed in Cash at hand, Administrative expenses and disclosed in notes 4, 5, 6, 7, 11, 12, 14 and 15.