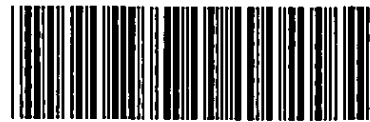


GIRONDE INVESTMENTS LIMITED**Report and Financial Statements
For the year ended 31 December 2012**

WEDNESDAY



A42 *A2MZYJ2Y* #28
COMPANIES HOUSE

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 2012

The Directors present their report together with the audited financial statements for the year ended 31 December 2012

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.

Results and dividends

During the year ended 31 December 2012 the Company made a profit for the financial year of £4,748,244 (2011 loss for the financial year £13,903). The directors paid a preference dividend in relation to 31 December 2012 year end of £6,000,000 to preference share holder (2011 nil). The Company has net assets of £3,256,433 (2011 £8,509,198).

Events after the reporting year

Events after the reporting year are set out in note 22 to the financial statements.

Directors

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

N Abhat (resigned 25 May 2012)

N Brand

G Clark

G Simpson (appointed 25 May 2012)

JM Walthoe

Directors' third party indemnity provisions

Qualifying third party indemnity provisions were in force during the course of the financial year ended 31 December 2012 for the benefit of the 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.

GIRONDE INVESTMENTS LIMITED

Registered number in England and Wales FC029280

DIRECTORS' REPORT (continued)

For the year ended 31 December 2012

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

Disclosure of information to auditors

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 on page 26 Risk Management of the Barclays Group accounts

GIRONDE INVESTMENTS LIMITED

Registered number in England and Wales FC029280

DIRECTORS' REPORT (continued)

For the year ended 31 December 2012

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 G Simpson

Date 29 October 2013

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 2012 which comprise the Income Statement, 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 notes 2 and 3 to the financial statements.

Respective responsibilities of the directors and auditors

As explained more fully in the Statement of Directors' Responsibilities, 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 2012 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

GIRONDE INVESTMENTS LIMITED

Registered number in England and Wales: FC029280

**INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF GIRONDE 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

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Chartered Accountants

London, United Kingdom

Date:

04/11/13

GIRONDE INVESTMENTS LIMITED

Registered number in England and Wales FC029280

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2012**

	Notes	2012	2011
Continuing operations.		£	£
Interest receivable and similar income	4	29,925	25,787
Interest payable and similar charges		(30)	(5)
Net interest income		<u>29,895</u>	<u>25,782</u>
Gains on disposal of investment	5	3,496,504	-
Income received from subsidiary undertakings	6	3,169,695	-
Foreign exchange gain/(loss)	7	32,028	(12,736)
Fair value losses	12	(1,465,390)	(119,217)
Fees paid		(482,583)	-
Net income/(expense)		<u>4,780,149</u>	<u>(106,171)</u>
Administration income		-	130,239
Profit before taxation	8	<u>4,780,149</u>	<u>24,068</u>
Taxation	11	(15,171)	(37,971)
Profit/(Loss) for the financial year		<u><u>4,764,978</u></u>	<u><u>(13,903)</u></u>

Profit/(Loss) for the financial year 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 2012**

	2012	2011
	£	£
Net Profit/(loss) for the year	4,764,978	(13,903)
Other comprehensive (expense)/income		
Fair value (loss)/gain on available-for-sale investments	(1,336)	527
Tax on fair value (loss)/gain on available-for-sale investments	327	(140)
Other comprehensive (expense)/income for the year net of tax	(1,009)	387
Total comprehensive income/(expense) for the year	4,763,969	(13,516)

GIRONDE INVESTMENTS LIMITED

Registered number in England and Wales FC029280

BALANCE SHEET AS AT 31 DECEMBER 2012

	Notes	2012	2011
		£	£
ASSETS			
Non-current assets			
Investment in subsidiaries	12	2,544,534	503,913,508
Total non-current assets		<u>2,544,534</u>	<u>503,913,508</u>
Current assets			
Cash at hand		3,034,155	4,161,654
Available for sale investments	13	474,363	892,278
Loans and advances	14	1,540,395	-
Derivative financial instruments	17	100,425	-
Total current assets		<u>5,149,338</u>	<u>5,053,932</u>
TOTAL ASSETS		<u>7,693,872</u>	<u>508,967,440</u>
Current liabilities			
Borrowings	16	(4,400,000)	(500,400,000)
Derivative financial instruments	17	-	(33,995)
Current taxation	15	(20,704)	(24,247)
Total current liabilities		<u>(4,420,704)</u>	<u>(500,458,242)</u>
Net current assets/(liabilities)		<u>728,634</u>	<u>(495,404,310)</u>
TOTAL LIABILITIES		<u>(4,420,704)</u>	<u>(500,458,242)</u>
NET ASSETS		<u>3,273,168</u>	<u>8,509,198</u>
EQUITY			
Share capital	18	10,000	50,000
Share premium	18	990,000	4,950,000
Available for sale reserve	19	(337)	672
Retained earnings	19	2,273,505	3,508,526
TOTAL EQUITY		<u>3,273,168</u>	<u>8,509,198</u>

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 29 October 2013 and were signed on its behalf by



Name of Director G Simpson

Date 29 October 2013

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

Ugland House
PO Box 309
Grand Cayman
Cayman Islands
KY1-1104

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 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

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.

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 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.

Fees and commissions

Fees and commissions are recognised in the income statement 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, including interest, dividends, gains and losses are recognised in the income statement as income or expense in the period in which they are incurred.

The redeemable preference shares issued by the Company are classified as compound financial instruments and are split into their debt and equity components. The liability component of the preference shares is amortised through the income statement as interest expense on an effective yield basis.

Interest

Interest income or expense is recognised on all interest bearing financial instruments classified as held to maturity, available for sale or 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 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 in proportion to the amount outstanding over the period to maturity or repayment.

Dividend income

Dividend income is recognised in the income statement 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

Registered number in England and Wales FC029280

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign exchange

Foreign currency transactions are translated into GBP 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 other comprehensive income

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 income statement. 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 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.

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.

GIRONDE INVESTMENTS LIMITED

Registered number in England and Wales FC029280

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 income statement, 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.

Compound Financial Instruments

The Company recognises separately the components of a compound financial instrument that

- (a) creates a financial liability of the entity, and
- (b) grants an option to the holder of the instrument to convert it into an equity instrument of the entity.

Investments in subsidiaries

Investments in subsidiaries are recorded in the balance sheet at 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. Any impairment in the value of the investment is recognised in the income statement.

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 value 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 income statement, 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 income statement.

GIRONDE INVESTMENTS LIMITED

Registered number in England and Wales FC029280

NOTES TO THE FINANCIAL STATEMENTS (continued)**4. INTEREST RECEIVABLE AND SIMILAR INCOME**

	2012 £	2011 £
Interest receivable on available-for-sale asset	2,684	7,000
Interest receivable from group undertakings	27,211	18,787
	<u>29,895</u>	<u>25,787</u>

5 GAINS ON DISPOSAL OF INVESTMENT

	2012 £	2011 £
Investment in subsidiary	(500,000,000)	-
Disposal proceeds	503,496,504	-
Gains on disposal (refer to Note 12)	<u>3,496,504</u>	<u>-</u>

6. INCOME RECEIVED FROM SUBSIDIARY UNDERTAKINGS

	2012 £	2011 £
Dividend received from subsidiary undertakings	3,169,695	-
	<u>3,169,695</u>	<u>-</u>

7. FOREIGN EXCHANGE GAIN/(LOSS)

	2012 £	2011 £
Mark to market gain on cross currency swap designated as part of fair value hedge	112,831	125,695
Foreign exchange loss on hedged items designated in fair value hedge		
- Euro denominated investments	(112,831)	(125,695)
Other foreign exchange gain/(loss)	32,028	(12,736)
	<u>32,028</u>	<u>(12,736)</u>

8. PROFIT 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 £7,145 for the year ended 31 December 2012 (2011: £7,145). This fee is not recognised as an expense in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)

9 DIRECTORS' EMOLUMENTS

The directors did not receive any emoluments in respect of their services to the Company during the year (2011 nil)

10 STAFF COSTS

There were no employees employed by the Company during the year ended 31 December 2012 (2011 nil)

11. TAXATION

	2012	2011
	£	£
Taxation charged to the income statement		
UK corporation tax	15,171	37,971
	<u>15,171</u>	<u>37,971</u>

The UK corporation tax charge is based on the blended UK corporation tax rate of 24.5% (2011 26.5%)

The overall tax charge is explained in the following table

	2012	2011
	£	£
Profit on ordinary activities before tax	4,780,149	24,068
Profit on ordinary activities multiplied by the rate of corporation tax in the UK of 24.5% (2011 26.5%)	<u>1,171,136</u>	<u>6,378</u>
Non taxable dividends received	(776,576)	-
Non-taxable gain on disposal of investment	(856,643)	-
Non deductible fee	118,233	-
Non-taxable foreign exchange gain on hedged instrument	(27,643)	(33,309)
Non-taxable foreign exchange loss on hedged items	27,643	33,309
Non-deductible fair value losses on shares	359,021	31,593
Current tax charge for the year	<u>15,171</u>	<u>37,971</u>

GIRONDE INVESTMENTS LIMITED

Registered number in England and Wales FC029280

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

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

	2012		
	Before Tax Amount £	Tax charge £	Net of tax amount £
Available for sale assets	(1,336)	327	(1,009)

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

	2011		
	Before Tax Amount £	Tax charge £	Net of tax amount £
Available for sale assets	527	(140)	387

12. INVESTMENT IN SUBSIDIARIES

	Investment in Ordinary Shares 2012 £	Investment in Ordinary Shares 2011 £
At 1 January	503,913,508	504,158,420
Disposal	(500,000,000)	-
Additions	209,247	-
Foreign exchange	(112,831)	(125,695)
Fair value adjustment	19,595	(119,217)
Transfer to equity securities	(4,049,188)	-
Transfer from equity securities	2,564,203	-
At 31 December	2,544,534	503,913,508

On 29 February 2012, the Company disposed 9,999 of 10,000 ordinary shares held in Barclays Capital Equity Luxembourg SICAV SIF S à r l at a net asset value per share of £50,347 for a total amount of £503,420,340, resulting in a gain on disposal of £3,470,340. On 27 April 2012 remaining 1 share was £76,164, resulting in a gain on disposal of £26,164.

On 23 November 2012 the Company made an additional capital contribution of €258,374 to EGB SICAV.

GIRONDE INVESTMENTS LIMITED

Registered number in England and Wales FC029280

NOTES TO THE FINANCIAL STATEMENTS (continued)**12. INVESTMENT IN SUBSIDIARIES (continued)**

Details of the Company's investments are as follows

Name of subsidiary	Country of incorporation or residence	Nature of business	Proportion of voting power held (%)
Euro Government Bonds SICAV SIF S à r l	Luxembourg	Investment Company	100

13. AVAILABLE FOR SALE INVESTMENTS

	Investment in debt securities 2012	Investment in debt securities 2011
	£	£
Opening Balance	892,278	930,824
Additions	477,520	906,750
Revaluation transferred to equity	(1,336)	527
Disposals	(871,000)	(884,700)
Amortisation	(18,064)	(45,649)
Accrued interest	(5,035)	(15,474)
	<u>474,363</u>	<u>892,278</u>

	Investment in equity securities 2012	Investment in equity securities 2011
	£	£
Opening Balance	-	-
Transfers from investment in subsidiary	4,049,188	-
Fair value adjustment	(1,484,985)	-
Transfers to investment in subsidiary	(2,564,203)	-
	<u>-</u>	<u>-</u>

GIRONDE INVESTMENTS LIMITED

Registered number in England and Wales FC029280

NOTES TO THE FINANCIAL STATEMENTS (continued)**14 LOANS AND ADVANCES**

	2012	2011
	£	£
Loans and advances to parent undertaking	1,540,395	-

The loan is denominated in Euros with a value of €1,888,438.64 based on 12 Month Euribor at 0.45071% maturing on 17 May 2013

15. CURRENT TAXATION

	2012	2011
	£	£
Group relief payable	20,704	(24,247)

16 BORROWINGS

	2012	2011
	£	£
Preference shares at 1 January	500,400,000	500,400,000
Preference shares redeemed	(496,000,000)	-
Preference shares at 31 December	4,400,000	500,400,000

On 29 February 2012, the Company redeemed 496,000,000 preference shares of a par value of £0.01 at an aggregate price of £496,000,000

The Company has issued preference shares as follows

	2012	2011
	£	£
Authorised:		
540,000,000 (2011: 540,000,000) Preference Shares of £0.01 each	5,400,000	5,400,000
	440,000	5,400,000

GIRONDE INVESTMENTS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS (continued)**16 BORROWINGS (continued)**

	2012	2011
Allotted and fully paid		
500,400,000 (2011 500,400,000) Preference Shares of £0.01 each	5,004,000	5,004,000
496,000,000 Preference Shares redeemed of £0.01 each	(4,960,000)	-
	<hr/> 44,000	<hr/> 5,004,000
Share Premium:		
500,400,000 (2011 500,400,000) Preference Shares of £0.99 each	495,396,000	495,396,000
496,000,000 Preference shares redeemed of £0.99 each	(491,040,000)	-
	<hr/> 4,400,000	<hr/> 500,400,000

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.

17. DERIVATIVE 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 assets – derivative financial instruments

	2012 Nominal £	2011 Nominal £	2012 Fair value £	2011 Fair value £
Derivatives designated as fair value hedges				
Cross currency swaps	4,316,021	-	100,425	-
	<hr/> 4,316,021	<hr/> -	<hr/> 100,425	<hr/> -

GIRONDE INVESTMENTS LIMITED

Registered number in England and Wales FC029280

NOTES TO THE FINANCIAL STATEMENTS (continued)**17 DERIVATIVE FINANCIAL INSTRUMENTS (continued)****Financial liabilities – derivative financial instruments**

	2012 Nominal £	2011 Nominal £	2012 Fair value £	2011 Fair value £
Derivatives designated as fair value hedges				
Cross currency swaps	-	4,316,021	-	(33,995)
	-	4,316,021	-	(33,995)

18. SHARE CAPITAL

	Number of shares	Ordinary shares £	Share premium £	Total £
As at 1 January 2012	5,000,000	50,000	4,950,000	5,000,000
Repurchase of shares	(4,000,000)	(40,000)	(3,960,000)	(4,000,000)
As at 31 December 2012	1,000,000	10,000	990,000	1,000,000
As at 1 January 2011	5,000,000	50,000	4,950,000	5,000,000
As at 31 December 2011	5,000,000	50,000	4,950,000	5,000,000

On 30 March 2012 the Company repurchased 4,000,000 ordinary shares of a par value of £0.01 each at a price of £4,000,000 from its parent company

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NOTES TO THE FINANCIAL STATEMENTS (continued)**18. SHARE CAPITAL (continued)**

	2012 £	2011 £
Authorised:		
10,000,000 (2011 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		
1,000,000 (2011 5,000,000) ordinary shares of £0.01	10,000	50,000
	<u>10,000</u>	<u>50,000</u>
Allotted and fully paid		
Share Premium:		
1,000,000 (2011 5,000,000) ordinary shares of £0.99 each	990,000	4,950,000
	<u>990,000</u>	<u>4,950,000</u>
	<u>1,000,000</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.

19. RETAINED EARNINGS AND OTHER RESERVES

	Available-for-sale reserve £	Retained earnings £	Total £
As at 1 January 2012	672	3,508,526	3,509,198
Net profit	-	4,764,978	4,764,978
Loss taken to equity	(1,009)	-	(1,009)
Fair value adjustment	1,484,985	-	1,484,985
Recycle fair value loss to profit and loss	(1,484,985)	-	(1,484,985)
Preference Dividend paid	-	(6,000,000)	(6,000,000)
As at 31 December 2012	<u>(337)</u>	<u>2,273,504</u>	<u>2,273,167</u>
As at 1 January 2011	285	3,522,429	3,522,714
Net loss	-	(13,903)	(13,903)
Gain taken to equity	387	-	387
As at 31 December 2011	<u>672</u>	<u>3,508,526</u>	<u>3,509,198</u>

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NOTES TO THE FINANCIAL STATEMENTS (continued)

20. 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 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 from Barclays Corporate Secretariat, 1 Churchill Place, London E14 5HP.

21. 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 year 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, 9, 10, 12, 14, 16 and 17.

22. POST BALANCE SHEET EVENTS

On 7 May 2013 the Company entered into liquidation deed arrangements to terminate the transactions with Euro Government Bonds SICAV, hereafter referred to as 'SICAV', by issuing

- (a) repayment request of Euro loan from Barclays to coincide with receipts from SICAV proceeds
- (b) accelerated termination notice to Barclays with respect to cross currency swaps to coincide with the receipt of the SICAV proceeds and the Euro loan proceeds

It was agreed that the remaining proceeds, after SICAV proceeds, plus the Euro loan proceeds less the cross currency swap in Euro will be converted at spot rate into GBP and placed with Barclays Bank as a deposit.