BARCLAYS UNQUOTED INVESTMENTS LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

REGISTERED NUMBER: 2156066

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DIRECTORS' REPORT

The Directors present their report together with the audited financial statements for the year ended 31 December 2007

Principal activity and business review

The principal activity of the Company is to provide equity finance to support the development of established businesses requiring funding for their next phase of growth/ownership

With effect from 1 January 2004, transfer pricing was implemented between Barclays Unquoted Investments Limited and its parent The transfer of costs, arrangement fees and monitoring fees is reflected in these accounts together with a handling fee of 2%

Future outlook

Whilst there may be some slowing in the UK economy, the Company believes there will continue to be good businesses seeking transitional funding for the next stage of growth and/or ownership Competition for these opportunities will remain relatively strong amongst private equity market participants, but the Company considers that it will retain its competitive position through its existing regional network, relationships with corporate finance houses and the Barclays banking network Active investment management will continue to be key to the long term performance of the Company

Principal risks and uncertainties

The Directors of the Company have established processes and controls to identify and manage the principal risks and uncertainties These are primarily around effective investment selection, documenting of investor protection rights and ongoing tracking of business performance within the investment portfolio

Key performance indicators

The key performance indicators for the business are primarily around levels of new investments made, the value of existing investments and returns realised from investment disposals

Results and dividends

During the year the Company made a profit after taxation of £17,005,488 (2006 £17,836,575) The Directors do not recommend the payment of a final dividend (2006 £nil)

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

J T Anderson	(appointed 11 April 2007)
K L Kapur	
S G Rose	(resigned 31 January 2007)
S Y Sutton	(resigned 11 April 2007 - appointed 18 October 2007)

Directors' Indemnities

Qualifying third-party indemnity provisions (as defined by section 236 of the Companies Act 2006) were in force during the course of the financial year ended 31 December 2007 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 they may incur (or have incurred) in connection with their duties/powers of office

Statement of Directors' responsibilities

The following statement, which should be read in conjunction with the Auditors' Report set out on page 3 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 1985 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 on pages 4 to 28

- the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and
- that all the accounting standards which they consider to be applicable have been followed, and
- that the financial statements have been prepared on a going concern basis

The Directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure the financial statements comply with the Companies Act 1985 and the Companies Act 2006

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

Auditors

On 30 January 1991 an Elective Resolution was passed by the shareholders of the Company pursuant to Section 386 of the Companies Act 1985 to dispense with the obligation to appoint Auditors annually PricewaterhouseCoopers LLP have indicated their willingness to continue in office

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

BY ORDER OF THE BOARD

K L Kapur
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BARCLAYS UNQUOTED INVESTMENTS LIMITED

We have audited the financial statements of Barclays Unquoted Investments Limited for the year ended 31 December 2007 which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement, the Statement of Changes in Equity and the related notes on pages 4 to 28 These financial statements have been prepared under the accounting policies set out on pages 7 to 9

Respective responsibilities of directors and auditors

The Directors' responsibilities for preparing the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the Statement of Directors' Responsibilities

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland) This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 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 save where expressly agreed by our prior consent in writing

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements have been properly prepared in accordance with the Companies Act 1985 We report to you whether, in our opinion, the information given in the Directors' Report is consistent with the financial statements

In addition, we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the Company's affairs as at 31 December 2007 and of its profit and cash flows for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
27 June 2008

INCOME STATEMENT

	Notes	2007 £	2006 £
Income from financial assets	4	17,820,862	18,961,921
Administrative expenses		(3,175,167)	(2,363,497)
Operating profit	5	**14,645,695**	**16,598,424**
Finance income - Net	7	1,070,269	357,093
Profit before taxation		**15,715,964**	**16,955,517**
Taxation Credit	8	1,289,524	881,058
Profit after taxation		**17,005,488**	**17,836,575**
Retained profit brought forward		27,864,611	10,028,036
Retained profit carried forward		**44,870,099**	**27,864,611**

STATEMENT OF CHANGES IN EQUITY

	Share Capital £	Retained Earnings £	Available for Sale 'AFS' revaluation reserve £	Total £
At 1 January 2006	64,000,000	10,028,036	376,633	74,404,669
Issue of share capital in 12 months to 31/12/06	10,665,000	-	-	10,665,000
Fair Value Movements	-	-	271,871	271,871
Profit for 12 months to 31/12/06	-	17,836,575	-	17,836,575
As at 31 December 2006	**74,665,000**	**27,864,611**	**648,504**	**103,178,115**
At 1 January 2007	74,665,000	27,864,611	648,504	103,178,115
Issue of share capital in 12 months to 31/12/07	-	-	-	-
Fair Value Movements	-	-	153,638	153,638
Profit for 12 months to 31/12/07	-	17,005,488	-	17,005,488
As at 31 December 2007	**74,665,000**	**44,870,099**	**802,142**	**120,337,241**

The accompanying notes form an integral part of the financial statements

BALANCE SHEET

	Notes	2007	2006
		£	£
NON CURRENT ASSETS			
Available for sale financial assets	9	1,348,216	885,871
Investments in financial assets designated as fair value	10	4,082,252	11,081,740
Loans and receivables	11	66,837,595	77,560,912
Investments in subsidiaries	12	14,287,681	-
Total non-current assets		**86,555,744**	**89,528,523**
Current assets			
Other receivables and accrued income	13	3,218,136	3,152,454
Cash at bank and Treasury Deposit		31,459,178	10,625,590
Current tax asset	15	-	153,336
Total current assets		34,677,314	13,931,380
Total assets		**121,233,058**	**103,459,903**
LIABILITIES			
Current liabilities			
Accruals and deferred income	14	(599,125)	(281,788)
Current tax liabilities	15	(296,692)	-
Total current liabilities		(895,817)	(281,788)
Net current liabilities		33,781,497	13,649,592
Net assets		**120,337,241**	**103,178,115**
SHAREHOLDERS' EQUITY			
Called up share capital	16	74,665,000	74,665,000
Available for sale reserve	21	802,142	648,504
Retained earnings	21	44,870,099	27,864,611
Total shareholders' equity		**120,337,241**	**103,178,115**

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 26TH JUNE 2008.
They were signed on its behalf by

K L Kapur
Director

CASHFLOW STATEMENT

	Notes	2007 £	2006 £
Inflow from operating activities	19	35,262,724	22,690,164
Interest received	7	1,070,311	357,828
Interest (paid)	7	(42)	(735)
Tax received		1,739,553	123,485
Net cash from operating activities		**38,072,546**	**23,170,742**
Cash flows from investing activities			
Investment in financial assets and loans		(49,217,772)	(47,380,019)
Disposal/redemption of financial assets and loans		31,978,814	20,393,700
Net cash (used in) investing activities		**(17,238,958)**	**(26,986,319)**
Cash flows from financing activities			
Cash received from Barclays Bank PLC re issue of ordinary shares	16	-	10,665,000
Net cash from financing activities		**-**	**10,665,000**
Net increase in cash at bank		20,833,588	6,849,423
Cash at bank at beginning of year		10,625,590	3,776,167
Cash at bank at end of year		**31,459,178**	**10,625,590**

The accompanying notes form an integral part of the financial statements

NOTES TO THE FINANCIAL STATEMENTS

1. Reporting entity

These financial statements are prepared for Barclays Unquoted Investments Limited ('the Company'), the principal activity of which is to hold private equity investments in unquoted UK companies The financial statements are prepared for the Company only The Company is a wholly owned subsidiary of Barclays Bank PLC and its ultimate parent company is Barclays PLC, both of which prepare consolidated financial statements in accordance with IFRS, and accordingly consolidated financial statements have not been prepared

The Company is a private limited company, incorporated in the United Kingdom The registered office is 1 Churchill Place, London E14 5HP

2. Compliance with International Financial Reporting Standards

The financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS'), adopted for use in the European Union and with all those parts of the Companies Act 1985 applicable to companies reporting under IFRS In all respects, this is also in accordance with IFRS, including the interpretations issued by the International Financial Reporting Interpretations Committee

3. 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 to the extent required or permitted under IAS 39, 'Financial Instruments, recognition, and measurement' as set out in the relevant accounting policies They are stated in pounds sterling, the currency of the country in which the Company is incorporated

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates It also requires management to exercise judgment in the process of applying the accounting policies The notes to the financial statements set out areas involving a higher degree of judgment or complexity, or areas where assumptions are significant to the consolidated and individual financial statements

(a) Investment Income

Dividend income on preference and ordinary shares is recognised when the right to receive payment is established

(b) Income taxes, including deferred income taxes

Income tax payable on taxable profits ('current tax'), is recognised as an expense in the period in which the profits arise Income tax recoverable on tax allowable losses is recognised as an asset only to the extent that it is regarded as recoverable by offset against current or future taxable profits

Deferred income tax is provided in full, using the liability method, on temporary timing differences arising from the differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements Deferred income tax is determined using tax rates and legislation enacted or substantially enacted by the balance sheet date and expected to apply when the deferred tax asset is realised or the deferred tax liability is settled

Deferred and current tax assets and liabilities are only offset 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

(c) Financial assets and liabilities

The Company recognises financial instruments from the contract date, and continues to recognise them until, in the case of assets, the rights to receive cash flows have expired or the Company has transferred substantially all the risks and rewards of ownership, or in the case of liabilities, until the liability has been settled, extinguished or has expired

Financial assets are initially recognised at fair value and then classified in the following categories and dealt with in the financial statements as follows

Financial instruments -

(i) At fair value through profit or loss

Financial instruments are classified in this category if they are held for trading or if they are designated by the management under the fair value option

The Company does not have any financial instruments held for trading

The fair value option is used for investments where the Company has the ability to exercise significant influence over the operation and financial management policy decisions are designated at fair value in accordance with the para 1 of IAS 28 Investment in Associates

Once designated, such investments are measured at fair value in accordance with IAS 39, with changes in fair value recognised in profit or loss in the period of the change

(ii) Available for sale

This approach is applied to all financial assets where the Company's investment therein is less than 20% of the voting equity, or where controls are equivalent to those of less than 20% of the voting equity

These assets 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 when the cumulative gain or loss is transferred to the income statement

Where any impairment is considered to be a permanent negative movement against cost, the impairment is shown as a cost in the profit & loss account in the period in which the impairment is identified to have occurred

(iii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and which are not classified as available for sale Loans and Receivables are initially recognised at fair value including direct and incremental transaction cost They are subsequently valued in line with Valuations Committee according to amount of loan, including any capitalisation of interest/costs, less any amortisation This is deemed not to be materially different to the effective interest method Any impairment is shown through the profit and loss account, based on the Valuations Committee view as to whether any impairment applies

If in a subsequent period the amount of the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment or recognised amount the previously recognised impairment loss will reverse by adjusting the impairment account The amount of reversal is recognised in the income statement

Determining fair value

Where the classification of a financial instrument requires it to be stated at fair value, the fair values are determined by using valuation techniques The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date Quoted market prices are used for quoted securities Other techniques, such as Earnings Multiple method , are used to determine fair value for the remaining financial instruments which is in line with the International Private

Equity and Venture Capital Valuation Guidelines developed by the British Venture Capital Association BVCA and European Private Equity and Venture Capital Association EVCA

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 loans and 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

The Company also considers any change in valuation and, where such is considered to be a permanent negative movement against cost, including in the case of available for sale assets the impairment is shown as a cost in the profit & loss account in the period in which the impairment is identified to have occurred

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 valuation of the asset, in line with the methodologies and views confirmed via the Valuations Committee

Netting

Financial assets and liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise an asset and settle the liability simultaneously

(d) Provisions

Provisions are recognised for present obligations arising as consequences of past events where it is more likely than not that a transfer of economic benefits will be necessary to settle the obligation, and these can be reliably estimated

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is uncertain or cannot be reliably measured Contingent liabilities are not recognised but are disclosed unless they are remote

(e) Cash and cash equivalent

For the purposes of the cash flow statement, cash comprises cash on hand, demand deposits, and cash at bank

4. Income from financial assets

	2007	2006
	£	£
Realised capital gains	21,453,965	21,159,295
Impairment and write offs	(14,001,773)	(18,936,753)
Unrealised fair value gains (net)	1,963,785	6,114,059
Other income from financial assets	3,494,990	3,443,712
Interest on Subordinated loan note	4,909,895	7,181,608
Total income from financial assets	**17,820,862**	**18,961,921**

5. Operating profit

The following items have been charged in arriving at operating profit

	2007	2006
	£	£
Staff costs (note 6)	1,871,830	1,585,802
Auditors' Remuneration		
- Audit services	29,728	30,000

Auditors' remuneration for the supply of other services is not disclosed because the financial statements of the Company's parent Barclays Bank PLC are required to disclose such fees in the consolidated financial statements

6. Employees and key management, including Directors

Staff costs comprise the following

	2007	2006
	£	£
Internal recharge of Wages and salaries	1,681,584	1,425,337
Internal recharge of Social security costs	190,246	160,465
	1,871,830	**1,585,802**

The average number of persons to which the above recharge relates -

	Number	Number
Sales	13	12
Administration	11	7
Average number of employees	**24**	**19**

The aggregate emoluments of the Directors of the Company disclosed in accordance with Schedule 6 of the Companies Act 1985 were as follows These are included within the internal recharge of staff expenses detailed above

Directors' emoluments in respect of their services to the Company

	2007	2006
	£	£
Aggregate emoluments	271,953	308,337
	271,953	**308,337**

Two Directors are accruing retirement benefits under a defined benefit scheme (2006 two) and one Director is accruing benefits under a defined contribution scheme (2006 one) These are Group Schemes which form part of the recharge to the Company

The aggregate emoluments of the highest paid Director were as follows

Highest paid director

	2007	2006
	£	£
Aggregate emoluments	243,516	191,009
	243,516	**191,009**

7. Finance income - net

Finance income (net) comprises the following -

	2007	2006
	£	£
Interest income		
Bank and treasury deposit interest received	1,070,311	357,828
Bank interest paid	(42)	(735)
Finance income (net)	**1,070,269**	**357,093**

8. Taxation

The analysis of the (credit) for the year is as follows

	2007	2006
	£	£
Current tax		
United Kingdom - Current year	(1,289,524)	(154,065)
United Kingdom - prior year	-	(726,993)
Overall tax (credit)	**(1,289,524)**	**(881,058)**

The charge for tax is based upon a UK corporation tax rate of 30% for the calendar year 2007 (2006 30%)

The effective tax rate for the year is lower than the standard UK corporation tax rate of 30% The differences are explained below

	2007	2006
	£	£
Profit before tax	15,715,964	16,955,512
Tax charge at average UK corporation tax rate of 30% (2006 30%)	4,714,789	5,086,654
Prior year adjustments	-	(726,993)
Allowable write offs	-	(565,072)
Effect of non-allowable impairment	1,566,233	1,259,750
Other non-allowable expenses	31,052	8,792
Capital gains qualify for Substantial Shareholding Exemptions	(9,024,406)	(3,515,310)
Unrealised loss/(gains) due to fair value movement, non-allowable as currently meeting criteria for Substantial Shareholding Exemption	1,999,081	(1,834,218)
Dividend income - non taxable	(576,273)	(594,661)
Overall tax (credit)	**(1,289,524)**	**(881,058)**
Effective tax rate %	**-8 20%**	**-5 21%**

9. Available for sale financial assets 'AFS'

	2007 £	2006 £
As at 1 January	**5,874,438**	**7,578,455**
Additions	308,707	-
Disposals	(99,474)	(92,316)
Fair value movements	153,638	271,871
Write-off	-	(1,883,572)
Balance at 31 December	**6,237,309**	**5,874,438**

Impairment

	2007 £	2006 £
As at 1 January	4,988,567	6,201,627
Impairment charge for the year	-	670,512
Write-off eliminated on disposal	(99,474)	-
Write-off	-	(1,883,572)
Balance at 31 December	**4,889,093**	**4,988,567**
Net Book Value at 31 December	**1,348,216**	**885,871**

The investments above represent investments in listed debt and equity securities, as follows -

	2007 £	2006 £
UK equities - unquoted	308,707	-
UK equities - listed securities	1,039,509	885,871
At 31 December	**1,348,216**	**885,871**

10. Investments in financial assets designated as fair value through profit and loss

	2007	2006
	£	£
As at 1 January	**12,258,671**	**19,444,739**
Additions	2,942,291	285,883
Reclassification of asset from Loans and receivables	1,923,310	-
Reclassification of asset to subsidiaries	(2,554,322)	-
Reclassification of asset from subsidiaries	-	1,401,852
Disposals	(241,776)	(8,873,803)
Write-off	(4,253,821)	-
Balance at 31 December	**10,074,353**	**12,258,671**

Fair Value movements

	2007	2006
As at 1 January	**(1,176,931)**	**(1,689,974)**
Fair value movements in the year	(5,397,201)	1,914,894
Reclassification of fair value movement from Loans and receivables	(1,923,310)	-
Reclassification of fair value movement charge to subsidiaries	2,505,341	-
Reclassification of fair value movement charge from subsidiaries	-	(1,401,851)
Balance at 31 December	**(5,992,101)**	**(1,176,931)**
Net Book Value at 31 December	4,082,252	11,081,740

11. Loans and receivables

This is loan notes issued to investee companies as part of the Company's investments therein

	2007	2006
	£	£
As at 1 January	**98,510,033**	**60,205,069**
Additions	45,966,774	47,094,136
Reclassification of asset to Equity	(1,923,310)	-
Reclassification of asset to subsidiaries	(20,485,186)	-
Reclassification of asset from subsidiaries	-	2,638,409
Disposals	(31,637,565)	(11,427,581)
Write-off	(1,950,000)	-
Balance at 31 December	**88,480,746**	**98,510,033**
Impairment		
As at 1 January	**20,949,121**	**4,243,636**
Impairment charge for the year	10,813,826	14,067,076
Impairment Write-off	(1,950,000)	-
Reclassification of impairment charge to Equity	(1,923,310)	-
Reclassification of impairment charge to subsidiaries	(6,246,486)	-
Reclassification of impairment charge from subsidiaries	-	2,638,409
Balance at 31 December	**21,643,151**	**20,949,121**
Net Book Value at 31 December	**66,837,595**	**77,560,912**

12. Investments in subsidiaries

These are investments which would normally be included in notes 9, 10 and 11, but where investor protection rights have been triggered giving rise to the right but not the obligation for the Company to effect control if it should choose to do so and follow the required process The Company has not effected its rights in any of the cases and, in order to protect the interests of the investee companies, details of the individual investee companies have not been detailed (though they would be detailed in the event that the company had effected its right) At the reporting date the effective voting of the Company in the entities did not exceed 49 9% and the Company had not effected any other means of control in any of the entities at the reporting date (or as a post reporting date event hereto)

	2007	2006
	£	£
At 1 January	-	4,040,261
Reclassification of assets from equity	2,554,322	-
Reclassification of assets from loans and receivables	20,485,186	-
Reclassification of assets to equity	-	(1,401,852)
Reclassification of assets to loans and receivables	-	(2,638,409)
Balance at 31 December	**23,039,508**	-
Impairment		
As at 1 January	-	**4,040,261**
Reclassification of impairment charge from equity	2,505,341	-
Reclassification of impairment charge from loans and receivables	6,246,486	-
Reclassification of impairment charge to equity	-	(1,401,852)
Reclassification of impairment charge to loans and receivables	-	(2,638,409)
Balance at 31 December	**8,751,827**	-
Net Book Value at 31 December	**14,287,681**	-

Where swamping rights are triggered this is usually a temporary investment control scenario

13. Other receivables and accrued income

An analysis of other receivables is as follows

	2007	2006
	£	£
SULN Accrual	3,204,955	3,069,134
Other receivables	13,181	82,631
Amount due from group companies	-	689
	3,218,136	**3,152,454**

14. Accruals and deferred income

An analysis of trade and other payables is as follows

	2007	2006
	£	£
Provision for amount guaranteed*	300,000	-
Accrued expenses	198,755	166,331
Deferred income	72,500	89,583
Other creditors	27,870	25,874
	599,125	**281,788**

The Directors consider that the carrying amount of trade payables approximates their fair value

*This relates to an amount that, at year end 31 December 2007, was likely to be payable in respect of an Overdraft guarantee issued in favour of an investee company, and against which provision was therefore raised The guarantee was subsequently settled in March 2008

15. Current Tax

The components of income taxes (benefit) are as follows

	2007	2006
	£	£
	Liabilities	Assets
Current taxes		
United Kingdom	(296,692)	153,336
	(296,692)	**153,336**

16. Share capital

Particulars of the Company's share capital were as follows

	Number of Ordinary £1 Shares	Number of Ordinary £1 Shares	Total
	£	£	£
At 31 December 2006	**74,665,000**	**74,665,000**	**74,665,000**
At 31 December 2007	**74,665,000**	**74,665,000**	**74,665,000**

The authorised share capital of Barclays Unquoted Investments Limited is £110,000,000, (2006 £110,000,000), comprising 110m (2006 110m) ordinary shares of £1 All issued shares are fully paid

17. Financial risks

The Company's activities expose it to a variety of financial risks These are credit risk, liquidity risk and market risk, (which includes interest rate risk and price risk) Consequently, the Company devotes considerable resources to maintaining effective controls to manage, measure and mitigate each of these risks, and regularly reviews its risk management procedures and systems to ensure that they continue to meet the needs of the business

The Board of Directors monitors the company's financial risks and has responsibility for ensuring effective risk management and control

(a) Credit Risk

Credit risk is the risk of suffering financial loss, in particular in the event that any of the Company's investments fail to perform to such an extent that the capital of the Company becomes at risk

The Company assesses all investments before proceeding and there is a formal approval process via an Investment Committee, who also track the performance of all investments throughout the life of each investment This Investment Committee would also agree any material changes in investment terms and the management thereof

The Company does not hold collateral in respect of its investments, per the nature of its activity

The concentrations of exposure in the Company's portfolio have been analysed and are considered reasonable for the Company in view of recent increase in investment mandate

17. Financial risks (continued)

All of the investments are UK companies with the following representing an analysis by Industry Sector -

Industry Sector

The spread by industry sector is considered reasonable, particularly given the diverse nature of businesses within each sub-sector

	2007								
	Energy	Healthcare	IT Services	Manufacturing & Engineering	Recruitment, Consulting & Training	Retail & Consumer	Support Services	Travel & leisure	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
As at 31 December									
Available for sale financial assets	-	1,040	308	-	-	-	-	-	1,348
Investments in financial assets designated at fair value	8	-	2,216	1,731	42	11	74	-	4,082
Loans and Receivables	5,827	-	500	28,016	6,801	8,232	13,125	4,337	66,838
Investments in Subsidiaries	-	7,499	-	-	-	-	6,789		14,288
Total non-current assets	**5,835**	**8,539**	**3,024**	**29,747**	**6,843**	**8,243**	**19,988**	**4,337**	**86,556**

	2006								
	Energy	Healthcare	IT Services	Manufacturing & Engineering	Recruitment, Consulting & Training	Retail& Consumer	Support Services	Travel & Leisure	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
As at 31 December									
Available for sale financial assets	-	886	-	-	-	-		-	886
Investments in financial assets designated at fair value	-	9	601	3,165	411	3,257	2,959	680	11,082
Loans and Receivables	-	3,490	10,507	18,721	3,490	8,497	29,866	2,990	77,561
Investments in Subsidiaries	-		-	-	-	-	-		
Total non-current assets	-	**4,385**	**11,108**	**21,886**	**3,901**	**11,754**	**32,825**	**3,670**	**89,529**

17. Financial risks (continued)

Maximum exposure to Credit Risk

The following table shows the maximum exposure to credit risk at 31 December 2007 and 2006

	2007 £'000	2006 £'000
Cash and Cash equivalents	31,459	10,626
Trade and other receivables	3,218	3,152
Financial assets at fair value through profit and loss		
- Debt Securities	66,838	77,561
- Equity Securities	4,082	11,082
Available for sale Investments		
- Equity Securities	1,348	886
Investments in Subsidiaries		
- Debt Securities	14,239	-
- Equity Securities	49	-
Tax Asset	-	153
Total carrying amount	**121,233**	**103,460**

The Company does not hold any collateral as security
The Carrying amounts above are considered by the directors to approximate to fair value

17. Financial risks (continued)

Financial assets subject to credit risk

For the purposes of the Company's disclosures regarding credit quality, financial assets subject to credit risk have been analysed as follows

	Note	2007						
		Cash and Cash equivalents	Trade and other receivables	At fair value through profit and loss	Available for sale	Investment in Subsidiaries	Tax Asset	Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
As at 31 December								
Neither past due nor impaired	(i)	31,459	2,111	55,867	1,039	14,288	-	104,764
Past due but not impaired	(ii)	-	1,107	-	-	-	-	1,107
impaired	(iii)	-	4,909	46,556	5,198	8,752		65,415
Total								
Impairment allowance		-	(4,909)	(31,503)	(4,889)	(8,752)	-	(50,053)
Total carrying amount		**31,459**	**3,218**	**70,920**	**1,348**	**14,288**	**-**	**121,233**

		2006						
		Cash and Cash equivalents	Trade and other receivables	At fair value through profit and loss	Available for sale	Investment in Subsidiaries	Tax Asset	Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
As at 31 December								
Neither past due nor impaired	(i)	10,626	2,668	65,481	886	-	153	79,814
Past due but not impaired	(ii)		484	-			-	484
impaired	(iii)	-	673	56,018	4,989		-	61,680
Total								
Impairment allowance		-	(673)	(32,856)	(4,989)	-	-	(38,518)
Total carrying amount		**10,626**	**3,152**	**88,643**	**886**	**-**	**153**	**103,460**

17. Financial risks (continued)

(i) Financial assets neither past due nor impaired

The credit quality of financial assets in the Company are considered to fall into one of the following categories

	2007			
	Non-Watchlisted	Watchlisted	Other	Total
	£'000	£'000	£'000	£'000
Cash and cash equivalents	-	-	31,459	31,459
Trade and other receivables	1,938	160	13	2,111
Available for sale investments				
- Equity Securities	1,039	-	-	1,039
Financial assets at fair value through profit and loss.				
-Equity Securities	4,071	10	-	4,081
- Debt Securities	48,987	2,799	-	51,786
Investments in subsidiaries				
-Equity Securities	12	37	-	49
- Debt Securities	2,487	11,752	-	14,239
Total financial assets subject to credit risk neither past due nor impaired	**58,534**	**14,758**	**31,472**	**104,764**

	2006			
	Non-Watchlisted	Watchlisted	Other	Total
	£'000	£'000	£'000	£'000
Cash and cash equivalents		-	10,626	10,626
Trade and other receivables	2,505	80	83	2,668
Available for sale Investments				
- Equity Securities	886	-	-	886
Financial assets at fair value through profit and loss.				
- Equity Securities	10,399	-	-	10,399
- Debt Securities	55,082	-	-	55,082
Tax Asset	-	-	153	153
Total financial assets subject to credit risk neither past due nor impaired	**68,872**	**80**	**10,862**	**79,814**

Cash and cash equivalent are wholly cash funds in bank accounts with Barclays Bank Plc

Watchlisted investments are those where there is a need for close monitoring activity in terms of the investment performance, as required by the Company Investment Committee All other investments are Non-watchlisted

Trade and other receivables, denoted as either Non-watchlisted or Watchlisted, is wholly accrued interest on loans and receivables The remaining Trade and other receivables is an inter-company debtor That has been settled subsequently post year end

17. Financial risks (continued)

(ii) Financial assets past due but not impaired

The age analysis of financial assets that are past due but not impaired is as follows

	2007					
	Past due 1 month	Over 1 month but no more than 2 months	Over 2 month but no more than 3 months	Over 3 month but no more than 6 months	Past due 6 month	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Trade and other receivables	615	-	-		492	1,107
Total carrying amount	**615**	**-**	**-**	**-**	**492**	**1,107**

	2006					
	Past due 1 month	Over 1 month but no more than 2 months	Over 2 month but no more than 3 months	Over 3 month but no more than 6 months	Past due 6 month	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Trade and other receivables	484	-	-	-	-	484
Total carrying amount	**484**	**-**	**-**	**-**	**-**	**484**

(iii) Impaired financial assets

	2007			2006		
	Original carrying amount	Impairment allowance	Revised carrying amount	Original carrying amount	Impairment allowance	Revised carrying amount
	£'000	£'000	£'000	£'000	£'000	£'000
Trade and other receivables	4,909	4,909	-	673	673	-
Available for sale Investments						
- Equity Securities	5,198	4,889	309	4,989	4,989	-
Financial assets at fair value through profit and loss						
-Equity Securities	9,861	9,860	1	12,589	11,907	682
- Debt Securities	36,695	21,643	15,052	43,429	20,949	22,480
Investments in subsidiaries	8,752	8,752	-	-	-	-
Total carrying amount	**65,415**	**50,053**	**15,362**	**61,680**	**38,518**	**23,162**

17. Financial risks (continued)

(b) Liquidity risk

Liquidity risk is the risk that the Company's cash and committed facilities may be insufficient to meet its payment obligations as they fall due

The assets of the business are medium to long term investments, along with some temporary cash holdings and a proportion of accrued interest on loans and receivables The cash holding is a transitory position as the company looks to keep cash holdings to a minimum, but will occasionally find itself in cash pending investments being progressed

The medium to long term nature of the assets are funded by share capital from the parent and, therefore, the only Liquidity Risk is likely to be short term in relation to drawing of capital to meet investment objectives The Company seeks to settle creditor positions as soon as possible Majority of the Accrued expenses below is in relation to accruals in respect of due diligence costs in relation to prospective investments

The following is an analysis of contractual maturity of financial assets and financial liabilities

Financial Instrument	On demand £ 000	<1 year £'000	1-2 years £'000	2-3 years £'000	3-4 years £'000	4-5 years £'000	>5 years £'000	Total £'000
Assets								
Loans and receivables, including SULNs	-	2,878	4,221	3,048	4,064	15,312	37,315	66,838
Available for sale financial assets	1,348	-	-	-	-		-	1,348
Investments in financial assets designated as fair value	4,082	-	-	-	-		-	4,082
Investments in subsidiaries	48	-	4,232	5,745	-	1,421	2,842	14,288
Other receivables	3,218	-	-	-	-		-	3,218
Cash at bank	31,459	-	-	-	-		-	31,459
Total assets	**40,155**	**2,878**	**8,453**	**8,793**	**4,064**	**16,733**	**40,157**	**121,233**
Liabilities								
Accrued expenses and other payables	-	599	-	-	-	-	-	599
Current Tax liability	-	297	-	-	-	-	-	297
Called up share capital	74,665	-	-	-	-	-	-	74,665
Available for sale reserve	802	-		-	-		-	802
Retained earnings	44,870	-		-	-		-	44,870
Total liabilities	**120,337**	**896**	**-**	**-**	**-**	**-**	**-**	**121,233**
Maturity Gap	(80,182)	1,982	8,453	8,793	4,064	16,733	40,157	
Cumulative Maturity Gap	**(80,182)**	**(78,200)**	**(69,747)**	**(60,954)**	**(56,890)**	**(40,157)**	**-**	

17. Financial risks (continued)

(c) Market risk

Market risk is the risk that the Company's earnings or capital, or its ability to meet business objectives will be adversely affected by changes in the level or volatility of market rates or prices such as interest rates, equity prices and foreign exchange rates

(i) Interest rate risk

Interest rate risk is the possibility that changes in interest rates will result in higher financing costs and/or reduced income from the Company's interest bearing financial assets and liabilities

Interest rate sensitivity analysis

All of the loans and receivables that have been issued to each of our investments are at a fixed rate and not floating rates (e g margins plus LIBOR etc), therefore there is no variability on interest receipts as a result of changes in underlying base rates There are no borrowings as full funding is met by Barclays Bank PLC in the form of share capital Cash held at bank earns interest at base rate, but this is a transitory position as the business seeks to fully utilise all capital available by making new investments

(ii) Foreign currency risk

The Company is not exposed to foreign currency risk from future foreign currency transactions, and recognised assets and liabilities, as all of its investments and associated returns are in UK sterling

(iii) Price risk

Price risk is the risk that market prices for the Company's investment securities measured at fair value may fall The Company is exposed to equity securities price risk because of investments classified as available for sale or at fair value through profit or loss. The Company is not exposed to commodity price movements

To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio and ensures all investments are pre-approved by its Investment Committee Price risk is tracked via half yearly Valuations Committee and fair values applied as a result of this and any Directors over-rides at the reporting date

The focus of investments is UK unquoted private companies and so the key to managing price risk is to ensure the Company does not over pay for its investments and can reasonably be expected to see value growth over the life of each investment It is recognised that not all investment will be successful though the Company does seek to be successful in generating returns across its portfolio of investments

At the reporting date there was a holding in one quoted company (AIM listed), as a result of flotation of an investment The position has since been exited

(d) Financial assets designated at fair value

The carrying values are the same as the fair value in these accounts Fair value is determined via Valuations Committee based on (i) original investment p/e ratio (ii) maintainable earnings for the underlying investment (iii) directors valuations

18. Capital management

The Company's objectives when managing capital are

- To safeguard the Company's ability to continue as a going concern
- To generate sufficient capital to support asset growth

The Board of Directors is responsible for capital management and has approved minimum control requirements for capital and liquidity risk management

The Company regards as capital its equity, as shown in the balance sheet

Total capital is as follows

	2007 £	2006 £
Total Equity		
Share Capital	74,665,000	74,665,000
Available for Sale	802,142	648,504
Retained Earnings	44,870,099	27,864,611
Net Debt	895,817	281,788
Total capital resources	**121,233,058**	**103,459,903**

19. Reconciliation of operating profit to net cash flow from operating activities

	2007 £	2006 £
Profit from operations	14,645,695	16,598,424
Net (increase) in other receivables and accrued income	(65,683)	(2,322,161)
Net increase/(decrease) in accrued expenses and other payables	317,337	(4,408,793)
Impairment charge	13,701,773	18,936,753
Revaluation of financial assets at fair value through the P&L	6,663,602	(6,114,059)
Net cash inflow from operating activities	**35,262,724**	**22,690,164**

20. Related party transactions

There was an internal recharge of costs from Barclays Bank PLC to the Company in respect of staff and other costs, in line with transfer pricing requirements Such recharge included a 2% handling fee commercial premium in line with Group transfer pricing requirements See details of the resulting internal recharge costs incurred by the Company below

	2007 £	2006 £
Internal recharge of staff expenses	1,871,830	1,585,802
Internal recharge of non-staff costs	501,251	746,305
Total	**2,373,081**	**2,332,107**

The cash at bank of the Company is held via a bank account operated by the parent and, as a result, bank interest income is received from the parent

21. Retained earnings and other reserve

	2007 Available for Sale £	2007 Retained Earnings £	2006 Available for Sale £	2006 Retained Earnings £
As at 1 January	648,504	27,864,611	376,633	10,028,036
Profit after Taxation	-	17,005,488	-	17,836,575
Available for Sale Investments				
Fair value gain on disposal transfer to income statement	-	-	-	-
Fair Value Movements	153,638	-	271,871	-
Balance as at 31 December	**802,142**	**44,870,099**	**648,504**	**27,864,611**

22. Ultimate holding company

The immediate parent undertaking and 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 financial statements are available from the Barclays Corporate Secretariat, 1 Churchill Place London E14 5HP