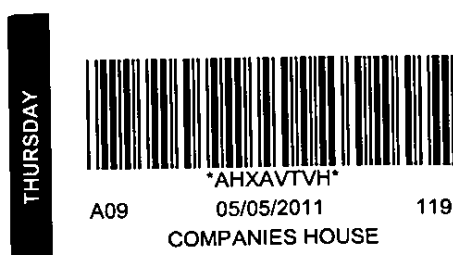


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**BARCLAYS FIDUCIARY SERVICES (UK) LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

**REGISTERED NUMBER: 2362041**



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# **BARCLAYS FIDUCIARY SERVICES (UK) LIMITED**

## **Directors' Report And Financial Statements For The Year Ended 31 December 2010**

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# **BARCLAYS FIDUCIARY SERVICES (UK) LIMITED**

## **Directors' Report And Financial Statements For The Year Ended 31 December 2010**

The Directors present their annual report together with the audited financial statements of Barclays Fiduciary Services (UK) Limited, a company domiciled in the UK with Registered Number 2362041, for the year ended 31 December 2010

### **Business review and principal activities**

The principal activity of Barclays Fiduciary Services (UK) Limited (the "Company") is the provision of trust administration services to clients based within the UK

### **Business performance**

The results of the Company show a profit before taxation of £339,775 (2009 £52,520 loss) for the year and total comprehensive income of £318,316 (2009 £18,858 deficit). The Company has net debt of £nil (2009 £nil). Net cash outflow from operating activities for 2010 was £nil (2009 £198,948 outflow)

### **Future outlook**

We remain confident that the Company will maintain the current level of performance in the future

### **Principal risks and uncertainties**

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

### **Key performance indicators**

The Directors of Barclays PLC manage the group's operations on a business cluster basis. For this reason, the Company's Directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The development, performance and position of Barclays Wealth, the relevant business cluster for the Company, is discussed in the Barclays PLC annual report which does not form part of this report

### **Results and dividends**

During the year the Company made a profit after tax of £318,316 (2009 £18,858 loss). No interim dividend was paid during 2010 (2009 £nil). The Directors do not recommend the payment of a final dividend (2009 £nil)

### **Directors**

The Directors of the Company, who served during the year and up to the date of signing the financial statements, together with their dates of appointment and resignation, where appropriate, are as shown below

G S Collins  
W D Coxon  
D M Currie  
S A Parr (resigned 30 June 2010)

### **Statement of Directors' responsibilities**

The following statement, which should be read in conjunction with the Independent 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 2006 and applicable regulations 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 have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as published by the International Accounting Standards Board. They are also in accordance with IFRSs as adopted by the European Union

# **BARCLAYS FIDUCIARY SERVICES (UK) LIMITED**

## **Directors' Report And Financial Statements For The Year Ended 31 December 2010**

### **Statement of Directors' responsibilities (continued)**

The Directors consider that in preparing the financial statements on pages 4 to 17

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

The Directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Creditors' payment policy**

The payment of suppliers is controlled centrally by another Group company with any costs relating to the Company being recharged accordingly. The Company values its suppliers and acknowledges the importance of paying invoices especially those of small businesses promptly. Normal policy is to pay all small business purchases within 30 days. It is the Company's practice to agree terms with suppliers when entering into contracts. We negotiate with suppliers on an individual basis and meet our obligations accordingly. The Company does not follow any specific published code or standard on payment practice.

The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (the "Regulations") require disclosure of trade creditor payment days. The components for the trade creditor calculation are not easily identified. However, by identifying as closely as possible the components that would be required if Schedule 7, part 5, of the Regulations applied, the trade creditor payment days for the Company for 2010 were 45 days (2009 56 days). This is an arithmetical calculation and does not necessarily reflect our practice, which is described above, nor the experience of any individual creditor.

### **Financial instruments**

Barclays financial risk management objectives and policies, which are followed by the Company, and the exposure to credit risk, liquidity risk and market risk are set out in the note "Financial Risks" on page 15.

### **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 they may incur (or have incurred) in connection with their duties/powers or office.

### **Statement of disclosure of information to auditors**

Each Director, as at the date of this report, has confirmed that insofar as they are aware there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) 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.

BY ORDER OF THE BOARD

For and on behalf of  
Barcosec Limited

  
**Company Secretary**  
20 April 2011

## **BARCLAYS FIDUCIARY SERVICES (UK) LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BARCLAYS FIDUCIARY SERVICES (UK) LIMITED**

We have audited the financial statements of Barclays Fiduciary Services (UK) Limited for the year ended 31 December 2010 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flow and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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

As explained more fully in the Statement of Directors' Responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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 opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

#### **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

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its profit and cash flows for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006

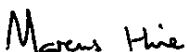
#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Marcus Hine (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
20 April 2011

# BARCLAYS FIDUCIARY SERVICES (UK) LIMITED

## Statement of Comprehensive Income For The Year Ended 31 December 2010

	Note	2010 £	2009 £
<b>Continuing operations</b>			
Revenue	4	339,775	271,282
Administrative expenses		-	(324,317)
<b>Gross profit / (loss)</b>		<b>339,775</b>	<b>(53,035)</b>
Interest income and similar income	5	-	515
<b>Profit and total comprehensive income before taxation</b>	6	<b>339,775</b>	<b>(52,520)</b>
Taxation	8	(21,459)	33,662
<b>Profit and total comprehensive income for the year</b>		<b>318,316</b>	<b>(18,858)</b>

The accompanying notes on pages 8 to 17 form an integral part of these financial statements

Profit after tax and total comprehensive income for the year was £318,316 (2009 £18,858 loss) There were no items of other comprehensive income

# BARCLAYS FIDUCIARY SERVICES (UK) LIMITED

## Statement of Financial Position As At 31 December 2010

	Note	2010 £	2009 £
<b>ASSETS</b>			
<b>Current assets</b>			
Current tax assets	10	29,444	-
Loans and other receivables	9	527,486	244,624
<b>TOTAL ASSETS</b>		<b>556,930</b>	<b>244,624</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	11	11,751	11,809
Provisions	12	66,553	72,505
<b>Total current liabilities</b>		<b>78,304</b>	<b>84,314</b>
<b>Net current assets</b>		<b>478,626</b>	<b>160,310</b>
<b>TOTAL LIABILITIES</b>		<b>78,304</b>	<b>84,314</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	13	100,002	100,002
Retained earnings	14	378,624	60,308
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>478,626</b>	<b>160,310</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>556,930</b>	<b>244,624</b>

The accompanying notes on pages 8 to 17 form an integral part of these financial statements

The financial statements were approved by the Board of Directors and authorised for issue on 20 April 2011 and were signed on its behalf by

WALTER COXON



Director

20 April 2011

## BARCLAYS FIDUCIARY SERVICES (UK) LIMITED

### Statement of Changes In Equity For The Year Ended 31 December 2010

	Share capital £	Capital redemption reserve £	Retained earnings £	Total equity £
At 1 January 2010	100,002	-	60,308	160,310
Profit and total comprehensive income for the year	-	-	318,316	318,316
<b>At 31 December 2010</b>	<b>100,002</b>	<b>-</b>	<b>378,624</b>	<b>478,626</b>

	Share capital £	Share Capital £	Retained earnings £	Total equity £
At 1 January 2009	1,850,002	-	(1,315,249)	534,753
Loss and total comprehensive deficit for the year	-	-	(18,858)	(18,858)
Cancellation of 1,750,000 ordinary shares of £1.00 each	(1,750,000)	1,750,000	-	-
Repayment to Northern Trust GFS Holdings Limited	-	(355,585)	-	(355,585)
Transfer from Capital Redemption Reserve to Retained Earnings	-	(1,394,415)	1,394,415	-
<b>At 31 December 2009</b>	<b>100,002</b>	<b>-</b>	<b>60,308</b>	<b>160,310</b>

The accompanying notes on pages 8 to 17 form an integral part of these financial statements



# BARCLAYS FIDUCIARY SERVICES (UK) LIMITED

## Statement of Cash Flow For The Year Ended 31 December 2010

	2010 £	2009 £
<b>Continuing operations</b>		
<b>Reconciliation of profit before tax to net cash flows from operating activities</b>		
<b>Profit before taxation</b>	339,775	(52,520)
Adjustment for finance income - interest received	-	(515)
Other provisions for liabilities and charges	(5,952)	72,505
Net (increase)/decrease in trade and other receivables	(66,000)	173,092
Net decrease in trade and other payables	(58)	(821)
Net increase in balances due to group undertakings	(216,862)	(424,351)
<b>Cash from/(used in) operating activities</b>	<u>50,903</u>	<u>(232,610)</u>
Tax (paid)/credit received	(50,903)	33,662
<b>Net cash used in operating activities</b>	<u>-</u>	<u>(198,948)</u>
<b>Cash flows from investing activities</b>		
Interest received	-	515
<b>Net cash from investing activities</b>	<u>-</u>	<u>515</u>
<b>Cash flows from financing activities</b>		
Repayment to Northern Trust GFS Holdings Limited	-	(355,585)
<b>Net cash used in financing activities</b>	<u>-</u>	<u>(355,585)</u>
<b>Net decrease in cash and cash equivalents</b>	-	(554,018)
Cash and cash equivalents at 1 January	-	554,018
<b>Cash and cash equivalents at 31 December</b>	<u>-</u>	<u>-</u>
<b>Cash and cash equivalents comprise</b>		
Cash and balances with banks	-	-
	<u>-</u>	<u>-</u>

The accompanying notes on pages 8 to 17 form an integral part of these financial statements

# BARCLAYS FIDUCIARY SERVICES (UK) LIMITED

## Notes To The Financial Statements (continued) For The Year Ended 31 December 2010

### 1 Reporting entity

These financial statements are prepared for the Company, the principal activity of which is the provision of trust administration services. 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 International Financial Reporting Standards (IFRSs).

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

### 2 Compliance with International Financial Reporting Standards

The financial statements have been prepared in accordance with IFRSs, adopted by the European Union, International Financial Reporting Interpretations Committee ("IFRIC") interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRSs.

#### Future accounting developments

##### *New and amended standards adopted by the Company*

There have been no new IFRS standards adopted by the Company as of 1 January 2010.

##### *Standards, amendments and interpretations effective on 1 January 2010 but not relevant*

The following standards, amendments and interpretations are mandatory for accounting periods beginning on or after 1 January 2010 but are not relevant to the Company's operations.

- IFRS 1 (revised), 'First time adoption' (effective from 1 July 2009)
- IFRS 3 (revised), 'Business combinations' (effective from 1 July 2009)
- IAS 27 (revised), 'Consolidated and separate financial statements' (effective from 1 July 2009)
- IAS 39 (amendment), 'Financial instruments: Recognition and measurement' on 'Eligible hedged items' (effective 1 July 2009)
- IFRS 2 (amendment), 'Share based payments – Group cash-settled share-based payment transactions' (effective 1 January 2010)
- IFRS 1 (amendment), 'First time adoption' for additional exemptions (effective from 1 July 2010)
- IFRIC 9, 'Reassessment of embedded derivatives' and IAS 39, 'Financial Instruments: recognition and measurement – embedded derivatives (amendments)' (effective from 30 June 2009)
- IFRIC 12, 'Service concession arrangements' (effective 30 March 2009)
- IFRIC 15, 'Agreements for the construction of real estates' (effective 1 January 2009 but EU endorsed for 1 January 2010)
- IFRIC 16, 'Hedges of a net investment in a foreign operation' (effective from 1 July 2009)
- IFRIC 17, 'Distribution of non-cash assets to owners' (effective on or after 1 July 2009)
- IFRIC 18, 'Transfer of assets from customers' (effective from 1 July 2009)

##### *Standards and amendments to existing standards that are relevant to the Company, not yet effective and have not been early adopted by the Company*

The following standards and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 1 January 2011 or later periods, but the Company has not early adopted them.

- IFRS 7 (amendment), 'Financial instruments – disclosures' on 'Derecognition' (effective from 1 July 2011)
- IFRS 9, 'Financial instruments' (effective from 1 July 2013 but not EU endorsed)
- IAS 24, (revised), 'Related party disclosure' (effective 1 January 2011)
- IFRIC 14 (amendment), 'Prepayments of a minimum funding requirement' (effective 1 January 2011)
- IFRIC 19 'Extinguishing financial liabilities with equity instruments' (effective 1 July 2010)

If early adopted, these are not expected to have a material impact on the Company's financial statements, and have therefore not been analysed in detail.

# BARCLAYS FIDUCIARY SERVICES (UK) LIMITED

## Notes To The Financial Statements (continued) For The Year Ended 31 December 2010

### 3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of the financial statements are set out below. These accounting 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 presented in pounds sterling, (£), the currency of the country in which the Company is incorporated.

The preparation of financial statements in accordance with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the accounting policies. There are no critical accounting estimates or assumptions used in preparing the financial statements.

#### a) Foreign currency translation

The financial statements are presented in sterling, which is the functional currency of the Company.

Items included in the financial statements of the Company are measured using their functional currency, being the currency of the primary economic environment in which the entity operates.

Foreign currency transactions are translated into sterling using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate prevailing at the year end. Foreign exchange gains and losses resulting from the retranslation and settlement of these items are recognised in the statement of comprehensive income.

#### b) Fees and commissions

Fees and commissions are recognised when the service is provided.

#### c) Interest

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

The effective interest rate is the rate that exactly discounts the expected future cash payments or receipts through the expected life of the financial instrument, or when appropriate, a shorter period, to the net carrying amount of the instrument. The application of the method has the effect of recognising income (and expense) receivable (or payable) on the instrument evenly in proportion to the amount outstanding over the period to maturity or repayment.

#### d) Current and deferred income tax

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 year or prior year 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 substantively enacted by the Statement of Financial Position date and that are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled.

# BARCLAYS FIDUCIARY SERVICES (UK) LIMITED

## Notes To The Financial Statements (continued) For The Year Ended 31 December 2010

### 3 Summary of significant accounting policies (continued)

#### e) Current and deferred income tax (continued)

Deferred tax assets are recognised on deductible temporary differences, carry forward of unused tax losses and unused tax credits to the extent that it is regarded as probable that sufficient taxable profits will be available against which the deductible temporary difference, unused tax losses and unused tax credits can be utilised

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 with the same tax authority

#### f) Financial assets and liabilities

The Company recognises financial instruments from the contract/trade 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

##### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and which are not classified as available for sale. They are included in current assets, except for maturities greater than 12 months after the Statement of Financial Position date. Loans and receivables are stated at amortised cost using the effective interest method. They are initially recognised at fair value including direct and incremental transaction costs. They are subsequently valued at amortised cost, using the effective interest method. They are derecognised when the rights to receive cash flows have expired or the Company has transferred substantially all the risks and rewards of ownership

##### *Financial liabilities*

Financial liabilities are measured at amortised cost, except for trading liabilities and liabilities designated at fair value, which are held at fair value through profit or loss. Financial liabilities are derecognised when extinguished. The Company's financial liabilities comprise trade and other payables and borrowings in the Statement of Financial Position

##### *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 bid 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

##### *Impairment of financial assets*

The Company assesses at each Statement of Financial Position date whether there is objective evidence that loans and receivables are impaired. The factors that the Company uses 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 observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, arising from adverse changes in the payment status of borrowers in the portfolio and national or local economic conditions that correlate with defaults on assets in the portfolio

# BARCLAYS FIDUCIARY SERVICES (UK) LIMITED

## Notes To The Financial Statements (continued) For The Year Ended 31 December 2010

### f) Financial assets and liabilities (continued)

For loans and receivables the Company first assesses whether objective evidence of impairment exists individually for individually significant loans and receivables, and then collectively assesses remaining loans and receivables that are not individually significant. The amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate.

#### *Netting*

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position 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.

### g) Issued equity securities

#### *Equity securities*

Equity instruments, including share capital, are initially recognised at net proceeds, after deducting transaction costs and any related income tax. Dividend and other payments to equity holders are deducted from equity, net of any related tax.

### h) 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 benefit will be necessary to settle the obligation, and it 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.

### i) Cash and cash equivalents

For the purposes of the statement of cash flow, cash comprises cash in hand, demand deposits and cash equivalents. Cash equivalents comprise highly liquid investments that are convertible into cash with an insignificant risk of changes in value with original maturities of less than three months. Trading balances are not considered to be part of cash equivalents.

## 4 Revenue

All of the Company's revenue is derived from the provision of services.

## 5 Interest income and similar income

Interest income comprises the following

	2010 £	2009 £
<b>Interest income</b>		
Other interest receivable	-	515

## BARCLAYS FIDUCIARY SERVICES (UK) LIMITED

### Notes To The Financial Statements (continued) For The Year Ended 31 December 2010

#### 6 Profit before taxation

The audit fees incurred in connection with this Company are paid centrally through Barclays Bank PLC for the years ended 31 December 2010 and 2009 respectively. The fees are not recharged to the Company.

#### 7 Employees and key management, including Directors

There were no employees employed by the Company during 2010 and 2009. At the year end all staff were employed by Barclays Bank PLC. The Directors are considered to be the key management personnel.

#### Directors' remuneration

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

No Director exercised options under the Barclays PLC Sharesave Scheme and Long Term Incentive Schemes during 2010 (2009: nil).

#### 8 Taxation

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

	2010 £	2009 £
<b>Current tax</b>		
Current year	21,459	(33,662)
<b>Total charge / (credit)</b>	<u>21,459</u>	<u>(33,662)</u>

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

	2010 £	2009 £
Profit / (loss) before tax	<u>339,775</u>	<u>(52,520)</u>
Tax charge / (credit) at standard UK corporation tax rate of 28% (2009: 28%)	95,137	(14,706)
Group relief surrendered for payment	-	(18,956)
Utilisation of losses brought forward previously not recognised	(68,189)	-
Other	<u>(5,489)</u>	<u>-</u>
Overall tax charge / (credit)	<u>21,459</u>	<u>(33,662)</u>
Effective tax rate %	<u>6.32%</u>	<u>64.09%</u>

#### 9 Loans and other receivables

An analysis of trade and other receivables is as follows:

	2010 £	2009 £
Due from related parties	461,486	244,624
Accrued income	<u>66,000</u>	<u>-</u>
	<u>527,486</u>	<u>244,624</u>

# BARCLAYS FIDUCIARY SERVICES (UK) LIMITED

## Notes To The Financial Statements (continued) For The Year Ended 31 December 2010

### 9 Loans and other receivables (continued)

The Directors consider that the carrying value of the Company's loans and other receivables approximates to their fair value

The specific risks to which the Company is exposed in relation to these balances are discussed further in Note 16 Financial risks

### 10 Current tax assets

Current tax assets are as follows

	2010 £	2009 £
United Kingdom corporation tax receivable	29,444	-

### 11 Trade and other payables

An analysis of trade and other payables is as follows

	2010 £	2009 £
Other payables	11,751	11,809

The Directors consider that the carrying value of the Company's trade and other payables approximates to their fair value

The specific risks to which the Company is exposed in relation to these balances are discussed further in Note 16 Financial risks

### 12 Provisions

	2010 £	2009 £
At 1 January	72,505	-
Additions	-	173,359
Amounts used	(5,952)	(100,854)
Other payables	66,553	72,505

The provision for claims and losses represents the estimated liability against specific events or transactions at the Statement of Financial Position date, in respect of claims and losses arising in the ordinary course of the Company's operations

All provisions are expected to be utilised within twelve months after the Statement of Financial Position date

# BARCLAYS FIDUCIARY SERVICES (UK) LIMITED

## Notes To The Financial Statements (continued) For The Year Ended 31 December 2010

### 13 Share capital

Particulars of the Company's share capital are as follows

	Number of shares £	Ordinary shares £	Total £
At 1 January and 31 December 2009 and 2010	100,002	100,002	100,002

The shares have attached to them full voting, dividend and capital distribution (including on winding up) rights, they do not confer any rights of redemption

Up to and including 30 September 2009 the authorised share capital of the Company was £250,000. On 1 October 2009 the final provisions of the Companies Act 2006 came into force, abolishing the concept of authorised share capital subject to restrictions contained in the Company's articles. The Company adopted new articles on 14 October 2009, removing any restrictions. At the year end, the issued share capital of the Company is £100,002 (2009: £100,002) comprising of 100,002 ordinary shares of 100p each. All issued shares are fully paid.

### 14 Retained earnings and other reserves

Movements in retained earnings are as follows

	Capital redemption reserve £	Retained earnings £	Total £
At 1 January 2010	-	60,308	60,308
Total comprehensive profit for the year	-	318,316	318,316
<b>At 31 December 2010</b>	<b>-</b>	<b>378,624</b>	<b>378,624</b>

	Capital redemption reserve £	Retained earnings £	Total £
At 1 January 2009	-	(1,315,249)	(1,315,249)
Total comprehensive loss for the year	-	(18,858)	(18,858)
Cancellation of 1,750,000 ordinary shares of £1.00 each	1,750,000	-	1,750,000
Repayment to Northern Trust GFS Holding Limited	(355,585)	-	(355,585)
Transfer from Capital redemption reserve to retained earnings	(1,394,415)	1,394,415	-
<b>At 31 December 2009</b>	<b>-</b>	<b>60,308</b>	<b>60,308</b>



## **BARCLAYS FIDUCIARY SERVICES (UK) LIMITED**

### **Notes To The Financial Statements (continued) For The Year Ended 31 December 2010**

#### **15 Contingent liability**

The Company is a trustee of an agricultural property unit trust ("the Trust") set up in 1976. By an Extraordinary Resolution passed on the 15<sup>th</sup> October 1997 the unit holders resolved to terminate the Trust and arrangements were subsequently made for an orderly disposal of the various assets which were held.

The assets which were held in the Trust were potentially of a nature that could lead to future claims which cannot be quantified at this time. To mitigate the risk the Company, in its capacity as Trustee, has secured trustee liability cover and environmental cover. An amount is also held in the Trust to meet claims not met by the insurance policies, insurance premiums, administration costs, insurance policy expenses and trustee liability related claims.

No claim existed in relation to the Trust at the time of the sale of the assets of the Trust and neither has such a claim materialised to date.

All parts of this arrangement were approved by the Committee of Management of the Trust and were presented to and approved by the unit holders in April 2002.

The Company has a general letter of support from its parent Company, Barclays Bank PLC.

#### **16 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 foreign currency risk, interest rate risk and price risk).

The Board of Directors has ultimate responsibility for ensuring effective risk management and control (including mandatory adherence to the Barclays PLC Group risk management policies). In exercising this responsibility on a day to day basis, it relies on the independent oversight provided by the Barclays Wealth risk function.

##### **(a) Credit risk**

Credit risk is the risk of suffering financial loss, should any of the Company's customers or market counterparties fail to fulfil their contractual obligations to the Company.

The Company assesses all counterparties, including its customers, for credit risk before contracting with them and there were no significant concentrations of credit risk at either year end.

Credit exposure for the Company arises principally through the service/debtor collection cycle being the provision of trust services, invoicing for such services and receipt of payment.

The majority of receivable balances are due from related parties.

##### **(b) Liquidity risk**

This is the risk that the Company may not have sufficient funds to meet its debts as they fall due. The Company has the financial support of the parent undertaking Barclays Bank PLC, it also maintains a mixture of long term and short term committed facilities, with Barclays Bank PLC. These facilities are designed to ensure the Company has sufficient available funds for operations.

All of the Company's financial assets and liabilities at 31 December 2010 and 2009 were effectively due on demand.

##### **(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, foreign exchange rates and equity prices.

## BARCLAYS FIDUCIARY SERVICES (UK) LIMITED

### Notes To The Financial Statements (continued) For The Year Ended 31 December 2010

#### 16 Financial risks (continued)

##### (d) 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

As the Company's exposure to interest rate risk is limited to the finance income earned on its cash and cash equivalents, no interest rate assumptions requiring sensitivity analysis have been employed in the statement of comprehensive income or equity

##### (e) Foreign currency risk

As the Company has no forward exposures to foreign currency transactions, no foreign currency exchange rate assumptions requiring sensitivity analysis have been employed in the statement of comprehensive income

##### (f) Price risk

Due to the nature of the Company's activities it has no significant exposure to price risk

#### 17 Related party transactions

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

The definition of related parties includes parent company, ultimate parent company, subsidiary, associated and joint venture companies, as well as the Company's key management which includes its Directors. Particulars of transactions with group companies, and the balances outstanding at the year end, are disclosed in the tables below

##### For the year ended 31 December 2010

	Parent company £	Fellow subsidiaries £	Total £
<b>Balances outstanding at 31 December 2010</b>			
Assets	90,042	371,444	461,486

##### For the year ended 31 December 2009

	Parent company £	Fellow subsidiaries £	Total £
<b>Balances outstanding at 31 December 2009</b>			
Assets	90,042	154,582	244,624

There were no transactions with key management personnel in either year

## BARCLAYS FIDUCIARY SERVICES (UK) LIMITED

### Notes To The Financial Statements (continued) For The Year Ended 31 December 2010

#### 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
- To manage foreign currency exposures

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 Statement of Financial Position

Total capital is as follows

	2010 £	2009 £
Share capital	100,002	100,002
Retained earnings	378,624	60,308
<b>Total capital resources</b>	<b>478,626</b>	<b>160,310</b>

#### 19 Parent undertaking and ultimate holding company

The immediate parent undertaking is Barclays Bank PLC. The ultimate parent undertaking and controlling party is Barclays PLC, a company incorporated in the United Kingdom. Barclays PLC is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2010. The consolidated financial statements of Barclays PLC are available from the Barclays Corporate Secretariat, 1 Churchill Place, London, E14 5HP.