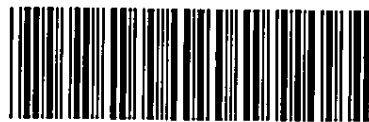


**EBBGATE INVESTMENTS LIMITED**

**REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

**REGISTERED NUMBER: 2605705**

FRIDAY



\*AKAQI0X9\*

A17

27/06/2008

332

COMPANIES HOUSE

# **EBBGATE INVESTMENTS LIMITED**

## **FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007**

### **INDEX**

	<b>Page</b>
DIRECTORS' REPORT	1
AUDITORS' REPORT	3
INCOME STATEMENT	4
STATEMENT OF RECOGNISED INCOME AND EXPENSE	4
BALANCE SHEET	5
CASH FLOW STATEMENT	6
NOTES TO THE FINANCIAL STATEMENTS	7

## **EBBGATE INVESTMENTS LIMITED**

### **DIRECTORS' REPORT YEAR ENDED 31 DECEMBER 2007**

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

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

The principal activity of the Company is to act as an investment holding company

The Company will continue to be engaged in this activity for the foreseeable future

During the year Ebbgate sold its interests in Flagship Care (Lancaster) Limited and Flagship Care (Surrey) Limited for a profit of £3,114,900

#### **Business performance**

The results of the Company show a profit before taxation of £3,115,507 (2006 £10,481) for the year and total recognised income of £3,115,320 (2006 £7,127). The Company has net debt of £nil (2006 £nil). Net cash outflow from operating activities for 2007 was £762 (2006 £10,615 inflow).

#### **Future outlook**

We remain confident that we will maintain our 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 Commercial Banking, 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 taxation of £3,115,320 (2006 £6,867). The Directors do not recommend the payment of a dividend (2006 £575,000).

#### **Directors**

The Directors of the Company, who served during the year, together with date of resignation, where appropriate, are as shown below

R S Leake	
P Richardson	
N W Salisbury	
R W N Payne	(resigned 12 September 2007)

## **EBBGATE INVESTMENTS LIMITED**

### **DIRECTORS' REPORT (continued) YEAR ENDED 31 DECEMBER 2007**

#### **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 14,

- 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

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 main financial risks that the Company is exposed to, and its risk management policies and objectives in relation to those risks, are set out in note 14 to the financial statements

#### **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

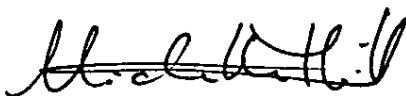
#### **Auditors**

On 16 June 1992, 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**

For and on behalf of Barcosec Limited



Corporate Secretary  
29 May 2008

## **EBBGATE INVESTMENTS LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EBBGATE INVESTMENTS LIMITED**

We have audited the financial statements of Ebbgate Investments Limited for the year ended 31 December 2007 which comprise the Income Statement, the Statement of Recognised Income and Expense, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

#### **Respective responsibilities of Directors and Auditors**

The Directors' responsibilities for preparing the Annual Report and 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 also 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

*2 June 2008*

# EBBGATE INVESTMENTS LIMITED

## INCOME STATEMENT YEAR ENDED 31 DECEMBER 2007

	Note	2007 £	2006 £
<b>Continuing operations</b>			
Other operating income		607	10,615
<b>Operating profit</b>		607	10,615
Profit on disposal of associates	8	3,114,900	-
Loss from disposal of available for sale securities		-	(134)
<b>Profit before taxation</b>	4	3,115,507	10,481
Taxation	6	(187)	(3,614)
<b>Profit after taxation</b>		3,115,320	6,867

## STATEMENT OF RECOGNISED INCOME AND EXPENSE YEAR ENDED 31 DECEMBER 2007

	2007 £	2006 £
<b>Available for sale investments</b>		
Net gains from changes in fair value	-	260
<b>Total items included directly in equity</b>	-	260
<b>Profit for the year</b>	3,115,320	6,867
<b>Total recognised income for the year</b>	3,115,320	7,127

The notes on pages 7 to 14 form an integral part of the accounts

# EBBGATE INVESTMENTS LIMITED

## BALANCE SHEET AT 31 DECEMBER 2007

	Note	2007 £	2006 £
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment in associates	8	1	101
<b>Total non-current assets</b>		<u>1</u>	<u>101</u>
<b>Current assets</b>			
Trade and other receivables	9	18,750	18,750
Current tax assets	10	26,182	25,000
Cash and cash equivalents		3,135,716	21,478
<b>Total current assets</b>		<u>3,180,648</u>	<u>65,228</u>
<b>Total assets</b>		<u>3,180,649</u>	<u>65,329</u>
<b>Net current assets</b>		<u>3,180,648</u>	<u>65,228</u>
<b>Net assets</b>		<u>3,180,649</u>	<u>65,329</u>
<b>SHAREHOLDERS' EQUITY</b>			
Called up share capital	11	25,052	25,052
Retained earnings	12	3,155,597	40,277
<b>Total shareholders' equity</b>		<u>3,180,649</u>	<u>65,329</u>

The notes on pages 7 to 14 form an integral part of the accounts

The financial statements were approved by the Board of Directors and authorised for issue on 29 May 2008  
They were signed on its behalf by



N W Salisbury  
Director  
29 May 2008

# EBBGATE INVESTMENTS LIMITED

## CASH FLOW STATEMENT YEAR ENDED 31 DECEMBER 2007

	2007 £	2006 £
<b>Continuing operations</b>		
<b>Profit before taxation</b>	3,115,507	10,481
Profit on disposal of associates	(3,114,900)	-
Loss from disposal of available for sale investments	-	134
<b>Cash from operating activities</b>	<u>607</u>	<u>10,615</u>
Tax paid	(1,369)	-
<b>Net cash (used in)/from operating activities</b>	<u>(762)</u>	<u>10,615</u>
<b>Cash flows from investing activities</b>		
Disposal of investments	-	9,193
Disposal of associates	3,115,000	-
<b>Net cash from investing activities</b>	<u>3,115,000</u>	<u>9,193</u>
<b>Cash flows from financing activities</b>		
Dividends paid	-	(575,000)
<b>Net cash used in financing activities</b>	<u>-</u>	<u>(575,000)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	3,114,238	(555,192)
Cash and cash equivalents at 1 January	21,478	576,670
<b>Cash and cash equivalents at 31 December</b>	<u>3,135,716</u>	<u>21,478</u>
<b>Cash and cash equivalents comprise</b>		
Cash and balances with banks	<u>3,135,716</u>	<u>21,478</u>

The notes on pages 7 to 14 form an integral part of the accounts

# **EBBGATE INVESTMENTS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2007**

### **1 REPORTING ENTITY**

These financial statements are prepared for Ebbgate Investments Limited ('the Company'), the principal activity of which is to act as an investment holding company. 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 ("IFRS"), and accordingly consolidated financial statements have not been prepared.

The Company is a private limited company, 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 IFRS, adopted for use in the European Union and with 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.

#### **Standards and interpretations effective in 2007**

IFRS 7, 'Financial instruments: Disclosures' and the complementary amendment to IAS 1, 'Presentation of financial statements – Capital disclosures', introduces new disclosures relating to financial instruments and does not have any impact on the classification and valuation of the Company's financial instruments.

### **3 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 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 judgement in the process of applying the accounting policies. The notes to the financial statements set out those areas involving a higher degree of judgement or complexity where relevant, or areas where assumptions are significant to the financial statements.

#### **a) Investments in associates**

An associate is an entity in which the Company has significant influence, but not control over, the operating and financial management policy decisions. This is generally demonstrated by the Company holding in excess of 20%, but no more than 50%, of the voting rights.

Investments in associates are stated at cost.

#### **b) Dividends from associates**

Dividends from associates are accounted for on the basis of dividends received in the accounting period.

## **EBBGATE INVESTMENTS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 31 DECEMBER 2007**

#### **c) Interest**

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

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

#### **d) Taxation**

Corporation tax payable on taxable profits ('current tax'), is recognised as an expense in the period in which the profits arise. Corporation 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 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 consolidated financial statements. Deferred tax is determined using tax rates and legislation enacted or substantially enacted by the balance sheet date and is 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 when they arise in the same tax reporting group and where there is both the legal right and the intention to settle on a net basis or to realise the asset and settle the liability simultaneously

#### **e) 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 as available for sale

##### *Available for sale*

Available for sale investments are non-derivative financial investments that have not been designated as (a) loans and receivables, (b) held to maturity investments or (c) financial assets at fair value through profit and loss. 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 when the cumulative gain or loss is transferred to the income statement

Impairment losses, investment income, and translation differences on monetary items are recognised in the income statement

##### *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

## **EBBGATE INVESTMENTS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 31 DECEMBER 2007**

#### *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.

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.

The Company first assesses whether objective evidence of impairment exists individually for individually significant financial assets and then collectively assesses remaining financial assets that are not individually significant. In addition, portfolios of financial assets with similar credit risk characteristics are also collectively assessed.

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 discounted at the original effective interest rate for the asset.

#### **f) Dividends**

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.

#### **g) Cash and cash equivalents**

For the purposes of the cash flow statement, 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 3 months. Trading balances are not considered to be part of cash equivalents.

## **4 PROFIT BEFORE TAXATION**

Auditors' remuneration for the period was borne by a fellow subsidiary of Barclays Bank PLC and was not recharged to the Company.

## EBBGATE INVESTMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 31 DECEMBER 2007

#### 5 EMPLOYEES AND KEY MANAGEMENT, INCLUDING DIRECTORS

There were no employees employed by the Company during 2007 or 2006

##### Director's remuneration

The Directors did not receive any emoluments in respect of their services to the company during the year (2006 £nil)

Two Directors exercised options under Barclays PLC Sharesave Scheme and Long Term Incentive Schemes during 2007 (2006 three)

##### Directors' and Officers' loans

As at 31 December 2007, there were no amounts outstanding under transactions, arrangements and agreements made by the Company with parties who are, or were during the year, Directors of the Company and persons connected with them and for Officers, within the meaning of the Financial Services and Markets Act 2000

#### 6 TAXATION

The analysis of the charge for the year is as follows

	2007 £	2006 £
<b>Current tax</b>		
United Kingdom corporation tax – current year	182	3,614
United Kingdom corporation tax – prior years	5	-
<b>Total charge</b>	<u>187</u>	<u>3,614</u>

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

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

	2007 £	2006 £
Profit before tax	<u>3,115,507</u>	<u>10,481</u>
Tax charge at average UK corporation tax rate of 30% (2006 30%)	934,652	3,144
Permanent differences	(934,470)	40
Prior year adjustments	5	430
Overall tax charge	<u>187</u>	<u>3,614</u>
Effective tax rate %	<u>0.01%</u>	<u>34.48%</u>

# EBBGATE INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 31 DECEMBER 2007

### 7 DIVIDENDS

An analysis of dividends paid is as follows

	2007 £	2006 £
Fully paid shares £nil (2006 £91 23) per share	-	4,835
Partly paid shares £nil (2006 £22 81) per share	-	570,165
	<u>-</u>	<u>575,000</u>

### 8 INVESTMENT IN ASSOCIATES

Movements in, and details of, the Company's long term investments in associates are as follows

	2007 £	2006 £
At 1 January	101	101
Disposals	(100)	-
<b>At 31 December</b>	<u>1</u>	<u>101</u>

All of the above investments are unlisted

Details of associates are as follows

Company name	Proportion of class held (%)	Proportion of total share capital with voting rights (%)	Activity
<b>MORRIS SHOWHOMES LIMITED</b>			
£0 001 'A' Ordinary Shares	100	50	Property
<b>BARLEY SHOWHOMES LIMITED</b>			
£0 01 'B' Ordinary Shares	100	50	Property

Flagship Care (Lancaster) Limited and Flagship Care (Surrey) Limited were disposed of on 28 December 2007 for net proceeds of £3,115,000. The profit on disposal was £3,114,900. All the above companies are incorporated in Great Britain and registered in England.

### 9 TRADE AND OTHER RECEIVABLES

An analysis of trade and other receivables is as follows

	2007 £	2006 £
Due from related parties	<u>18,750</u>	<u>18,750</u>

## EBBGATE INVESTMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 31 DECEMBER 2007

#### 10 CURRENT TAX ASSETS

Current tax assets are as follows

	2007 £	2006 £
United Kingdom corporation tax repayable	<u>26,182</u>	<u>25,000</u>

#### 11 SHARE CAPITAL

Particulars of the Company's share capital are as follows

	2007 £	2006 £
<b>Authorised</b>		
100,000 ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
<b>Allotted and fully paid or partly paid:</b>		
53 ordinary shares of £1 each fully paid	53	53
24,999 ordinary shares of £1 each (25p paid)	<u>24,999</u>	<u>24,999</u>
	<u>25,052</u>	<u>25,052</u>

#### 12 RETAINED EARNINGS

Movements in retained earnings are as follows

	Retained earnings £
At 1 January 2007	40,277
Profit after taxation	<u>3,115,320</u>
<b>At 31 December 2007</b>	<u>3,155,597</u>
At 1 January 2006	608,410
Dividends paid	(575,000)
Profit after taxation	<u>6,867</u>
At 31 December 2006	<u>40,277</u>

# EBBGATE INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 31 DECEMBER 2007

### 13 STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Movements in shareholders' equity are as follows

	Called up share capital £	Available for sale reserves £	Retained earnings £	Total £
At 1 January 2007	25,052	-	40,277	65,329
Profit after taxation	-	-	3,115,320	3,115,320
<b>At 31 December 2007</b>	<b>25,052</b>	<b>-</b>	<b>3,155,597</b>	<b>3,180,649</b>

	Called up share capital £	Available for sale reserves £	Retained earnings £	Total £
At 1 January 2006	25,052	(260)	608,410	633,202
Dividends paid	-	-	(575,000)	(575,000)
Profit after taxation	-	-	6,867	6,867
Available for sale investments	-	-	-	-
Net gains from changes in fair value	-	260	-	260
<b>At 31 December 2006</b>	<b>25,052</b>	<b>-</b>	<b>40,277</b>	<b>65,329</b>

### 14 FINANCIAL RISKS

The Company's activities expose it to a variety of financial risks. These are mainly credit risk and market risk (interest rate risk). The Company's Directors are required to follow the requirements of the Barclays PLC Group risk management policies, which include specific guidelines on the management of credit, interest rate and foreign exchange risk, and advises on the use of financial instruments to manage them.

#### (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.

All credit exposure is to other companies within the Barclays PLC Group.

#### Maximum exposure to credit risk

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

	2007 £	2006 £
Cash and cash equivalents	3,135,716	21,478
Trade and other receivables	18,750	18,750
<b>Total maximum exposure at 31 December</b>	<b>3,154,466</b>	<b>40,228</b>

The above exposures are considered neither past due nor impaired. The Company does not hold any collateral as security.

## EBBGATE INVESTMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued) YEAR ENDED 31 DECEMBER 2007

#### 14 FINANCIAL RISKS (continued)

##### Financial assets subject to credit risk

After reviewing all outstanding balances, it is considered that the credit quality of the full amount, £3,154,466 (2006 £40,228) is strong, in that there is a very high likelihood of the assets being recovered in full

##### (b) 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 income statement or equity

#### 15 FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments include both financial assets and financial liabilities. The fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties

The Directors consider that the fair value of financial instruments approximates cost, being the carrying value stated on the balance sheet

#### 16 RELATED PARTY TRANSACTIONS

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

There were no transactions with key management personnel in either year

Particulars of transactions with the parent company, and the balances outstanding at the year end, are disclosed in the tables below

	2007 £	2006 £
Assets		
Cash and cash equivalents	3,135,716	21,478
Trade and other receivables	18,750	18,750
<b>Total</b>	<b>3,154,466</b>	<b>40,228</b>

#### 17 ULTIMATE HOLDING COMPANY

The parent undertaking of the smallest group that presents consolidated financial statements is Barclays Bank PLC. The ultimate parent Company and the parent Company of the largest group that presents group accounts is Barclays PLC. Barclays Bank PLC's and Barclays PLC's statutory accounts are available from the Barclays Corporate Secretariat, 1 Churchill Place, London E14 5HP