BARCLAYS CAPITAL PRINCIPAL INVESTMENTS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

REGISTERED NUMBER: 2958400

Barclays Capital Principal Investments Limited

Directors' Report and Financial Statements

For the Year Ended 31 December 2013

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Barclays Capital Principal Investments Limited

Directors' Report

For the Year Ended 31 December 2013

The Directors present their annual report together with the audited financial statements of Barclays Capital Principal Investments Limited ("the Company") for the year ended 31 December 2013.

Profit and dividends

During the year the Company made a loss after tax of £1,289,870 (2012: profit of £5,965,702) for the year. The Directors do not recommend the payment of a dividend (2012: £nil).

Post balance sheet events

There are no material post balance sheet events.

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:

A Bennington (appointed 1 July 2013)
M Beastall (appointed 26 June 2014)
M Cooper (resigned 14 August 2013)
M Grinnell
M Keegan
L King (resigned 28 January 2013)

Going Concern

After reviewing the Company's performance projections and the available banking facilities, the Directors are satisfied that the Company has adequate access to resources to enable it to meet its obligations and to continue in operational existence for the foreseeable future. For this reason, the Directors have adopted the going concern basis in preparing these financial statements.

Statement of Directors' responsibilities

The following statement, which should be read in conjunction with the Auditors' report set out on page 4 is made with a view to distinguishing for shareholders the respective responsibilities of the Directors and of the Auditors in relation to the accounts.

The Directors are required by the Companies Act 2006 and applicable regulations to prepare accounts for each financial year. The Directors have prepared the accounts in accordance with International Financial Reporting Standards ('IFRS') to present fairly the financial position of the Company and the performance for that period. The Companies Act 2006 provides, in relation to such accounts, that references to accounts giving a true and fair view are references to fair presentation.

The Directors consider that in preparing the financial statements on pages 6 to 21:

- 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.

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

Barclays financial risk management objectives and policies, which are followed by the Company and the exposure to market risk, credit risk and liquidity risk are set out in the note 19 'Financial Risks'.

Directors third party indemnity provisions

Qualifying third party indemnity provisions were in force during the course of the financial year ended 31 December 2013 for the benefit of the then Directors and, at the date of this report, are in force for the benefit of the Directors in relation to certain losses and liabilities which may occur (or have occurred) in connection with their duties, powers or office.

Barclays Capital Principal Investments Limited

Directors' Report

For the Year Ended 31 December 2013

Independent auditors

PricewaterhouseCoopers LLP will continue to hold office in accordance with Section 487 of the Companies Act 2006.

Statement of disclosure of information to auditors

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

Mark Beastall
Director
15 July 2014
Company number 2958400

Barclays Capital Principal Investments Limited

Strategic Report

For the Year Ended 31 December 2013

Business review and principal activities

The principal activity of the Company is to hold investments in private companies. No significant change in this activity is envisaged in the foreseeable future and the Directors expect the Company's performance to be in line with the current year.

Business performance

The results of the Company show a loss after tax of £1,289,870 (2012: profit £5,965,702) for the year. The Company has net liabilities of £2,141,112 (2012: net liabilities £310,874). Net cash inflow from operating activities for 2013 was £1,642,077 (2012: net cash outflow from operating activities £98,401).

Future outlook

The Directors have reviewed the Company's business and performance and consider it to be satisfactory for the year. The Directors consider that the Company's position at the end of the year is consistent with the size and complexity of the business.

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks. The key business risks affecting the Company are set out in note 19 'Financial Risks'.

Key performance indicators

The directors of Barclays PLC ("the Group") 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 the Barclays Group is discussed on page 238 of the Barclays PLC annual report which does not form part of this report.

BY ORDER OF THE BOARD

Mark Beastall
Director
15 July 2014
Company number 2958400

Independent Auditors' Report to the members of Barclays Capital Property Investments Limited

For the Year Ended 31 December 2013

REPORT ON THE FINANCIAL STATEMENTS

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by Barclays Capital Property Investments Limited, comprise:

- the balance sheet as at 31 December 2013;
- the statement of comprehensive income for the year then ended;
- the cash flow statement for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Directors Report and Financial Statements (the "Annual Report") to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON THE MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Independent Auditors' Report to the members of Barclays Capital Property Investments Limited

For the Year Ended 31 December 2013

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 1, 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 ISAs (UK & 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.

Carl Sizer (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
16 July 2014

Barclays Capital Principal Investments Limited

Statement of Comprehensive Income

For the Year Ended 31 December 2013

	Note	2013 £	2012 £
Continuing operations			
Revenue	4	608,230	2,014,049
Gross profit		**608,230**	**2,014,049**
Other income	5	1,386,749	2,532,803
Other expenses	6	(2,990)	(273,940)
Operating profit		**1,991,989**	**4,272,912**
Interest receivable and similar income	7	324,309	1,256,406
Interest payable and similar expense	8	(1,733,079)	(3,165,590)
Foreign exchange gains / (loss)		290,912	(117,941)
Profit before taxation		**874,131**	**2,245,787**
Taxation	11	(2,164,001)	3,719,915
Loss after tax		**(1,289,870)**	**5,965,702**

	2013 £	2012 £
(Loss) / Profit after tax	**(1,289,870)**	**5,965,702**
Other comprehensive income that may be recycled to profit or loss:		
Fair value (losses)/gains on available for sale assets	(1,142,134)	(400,956)
Net gains/(losses) of available for sale assets reclassified to the profit and loss	609,348	-
Current taxation relating to components of other comprehensive income	(183,533)	170,925
Deferred taxation relating to components of other comprehensive income	175,953	115,539
Other comprehensive expense for the year net of tax	(540,366)	(114,492)
Total comprehensive (loss) / income for the year	(1,830,236)	5,851,211

The accompanying notes form an integral part of these financial statements.

Barclays Capital Principal Investments Limited (Company number: 2958400)

Balance Sheet

As at 31 December 2013

	Note	2013 £	2012 £
ASSETS			
Non-current assets			
Financial assets			
- Available for sale investments	12	7,400,356	14,221,065
Total non-current assets		**7,400,356**	**14,221,065**
Current assets			
Financial assets			
- Loans and other receivables	13	162,665	45,044,284
Cash and cash equivalents		3,109,961	1,603,272
Total current assets		**3,272,626**	**46,647,556**
Total assets		**10,672,982**	**60,868,621**
LIABILITIES			
Current liabilities			
Trade and other payables	15	2,168,121	2,301,090
Current tax liability	14	2,719,051	162,240
Deferred tax liability	14	-	175,953
Financial liabilities			
- Short term borrowings	16	7,926,922	58,540,212
Total current liabilities		**(12,814,094)**	**(61,179,495)**
Net current liabilities		**(9,541,468)**	**(14,531,939)**
Net liabilities		**(2,141,112)**	**(310,874)**
SHAREHOLDERS' EQUITY			
Share capital	17	810,002	810,002
Available for sale reserve		219,620	759,986
Accumulated losses		(66,167,045)	(64,877,173)
Capital reserve		62,996,311	62,996,311
Total equity		**(2,141,112)**	**(310,874)**

The accompanying notes form an integral part of these financial statements.

The financial statements on pages 6 to 21 were approved by the Board of Directors and authorised for issue on 15 July 2014 and were signed on its behalf by:

Mark Beastall
Director
15 July 2014
Company number 2958400

Barclays Capital Principal Investments Limited

Statement of Changes in Equity

For the Year Ended 31 December 2013

	Share Capital	Available for sale reserve	Capital reserve	Retained losses	Total
	£	£	£	£	£
Balance at 1 January 2013	810,002	759,986	62,996,311	(64,877,175)	(310,876)
Profit after tax	-	-	-	(1,289,870)	(1,289,870)
Other comprehensive income					
Available for sale financial assets	-	(532,786)	-	-	(532,786)
Tax relating to components of other comprehensive income	-	(7,580)	-	-	(7,580)
Balance at 31 December 2013	810,002	219,620	62,996,311	(66,167,045)	(2,141,112)

	Share Capital	Available for sale reserve	Capital reserve	Retained losses	Total
	£	£	£	£	£
Balance at 1 January 2012	810,002	874,478	62,996,311	(70,842,878)	(6,162,087)
Profit after tax	-	-	-	5,965,703	5,965,703
Other comprehensive income					
Available for sale financial assets	-	(400,956)	-	-	(400,956)
Tax relating to components of other comprehensive income	-	286,464	-	-	286,464
Balance at 31 December 2012	810,002	759,986	62,996,311	(64,877,175)	(310,876)

The accompanying notes form an integral part of these financial statements.

Barclays Capital Principal Investments Limited

Cash Flow Statement

For the Year Ended 31 December 2013

Continuing Operations	2013 £	2012 £
Reconciliation of profit before tax to net cash from operating activities		
Profit before tax	874,131	2,245,787
Adjustment for non-cash items:		
Foreign exchange (gain)/loss	(290,912)	117,941
Other non-cash movements	(586,209)	(5,529,317)
Changes in operating assets and liabilities		
Net decrease in loans and other receivables	209,277	-
Net increase in trade and other payables	1,435,790	3,067,188
Net cash from/(used in) operating activities	**1,642,077**	**(98,401)**
Cash flows from investing activities		
Purchase of available for sale financial assets	-	(506,379)
Disposal of available for sale financial assets	434,579	1,207,555
Net cash from investing activities	**434,579**	**701,176**
Cash flows from financing activities		
Repayment of loans	(557,700)	-
Net cash used in financing activities	**(557,700)**	**-**
Effect of exchange rate changes	**(12,267)**	**12,430**
Net increase in cash and cash equivalents	**1,506,689**	**615,205**
Cash and cash equivalents at beginning of year	1,603,272	988,067
Cash and cash equivalents at end of year	**3,109,961**	**1,603,272**

Cash and cash equivalents comprise:		
Cash in hand	3,109,961	1,603,272
Cash and cash equivalents at end of year	**3,109,961**	**1,603,272**

The accompanying notes form an integral part of these financial statements.

1. Reporting entity

These financial statements are prepared for Barclays Capital Principal Investments Limited (the "Company"), the principal activity of which is to hold investments in other private companies. The financial statements are prepared for the Company only. The parent undertaking of the smallest group that presents consolidated financial statements is Barclays Bank PLC and the ultimate holding company and the parent undertaking of the largest group that presents group financial statements is Barclays PLC (the "Group"), 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 limited company incorporated and domiciled in England and Wales. The address of the registered office of the Company is:

1 Churchill Place
Canary Wharf
London
England
E14 5HP

2. Compliance with International Financial Reporting Standards

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and Interpretations ("IFRICs") issued by the Interpretations Committee, as published by the International Accounting Standards Board ("IASB"), as endorsed by the European Union. The principal accounting policies applied in the preparation of the financial statements are set out below, and in the relevant notes to the financial statements. These policies have been consistently applied.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied.

Basis of preparation

The financial statements have been prepared under the historical cost convention modified to include the fair valuation of certain financial instruments 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, which is the Company's functional currency.

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 financial statements.

Accounting judgements

The valuation of the fair value investment is the key accounting judgment in these financial statements. Refer to note 3(f) for details on the accounting policy and note 20 for the key related assumptions.

(a) Foreign currency translation

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

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

(b) Dividend income

Dividend income is recognised when the right to receive payment is established, which is when the dividends are received or the dividends are appropriately authorised.

(c) Revenue recognition

Revenue is recognised in the profit and loss account when it is probable that the economic benefits associated with the transaction will be received by the Company.

(d) 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 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.

3. Summary of significant accounting policies (continued)

(e) 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 differences arising from the differences between the tax bases of assets and liabilities and their carrying amounts in the Company's financial statements. Deferred income tax is determined using tax rates and legislation enacted or substantively enacted by the balance sheet date and that are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled.

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 probably that sufficient taxable losses profit 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 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 other receivables

Loans and other 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 twelve months after the balance sheet date, which are classified as non-current assets. Loans and other receivables are stated at amortised costs using the effective interest method (see above). They are initially recognised at fair value including direct and incremental transaction costs. They are subsequently measured at amortised cost, using the effective interest method. They are derecognised when the rights to received cash flows have expired or the Company has transferred substantially all the risk and rewards of ownership.

Available for sale

Available for sale investments are non-derivative financial investments that have been designated as available for sale and are not categorised into any of the other categories described above. 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. The assets are derecognised when the rights to receive cash flows have expired of the Company has transferred substantially all the risks and rewards of ownership.

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

Financial liabilities

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

Determining fair value

Where the classification of a financial instrument requires it to be stated at fair value, this is determined by reference to the quoted market price 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.

3. Summary of significant accounting policies (continued)

(f) Financial assets and liabilities (continued)

Impairment of financial assets
The Company assesses at each balance sheet date whether there is objective evidence that loans and receivables are impaired. The factors that the Company uses include significant financial difficulty 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 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.

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.

In the case of available for sale equity securities, a significant or prolonged decline in the fair value of the security below its cost is also considered in determining whether impairment exists. Where such evidence exists, the cumulative net loss that has been previously recognised directly in equity is removed from equity and recognised in the income statement. In the case of debt instruments classified as available for sale, impairment is assessed based on the same criteria as all other financial assets. Reversals of impairment of debt instruments are recognised in the income statement. Reversals of impairment of equity shares are not recognised in the income statement, increases in the fair value of equity shares after impairment are recognised directly in equity.

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.

(g) Borrowings

Borrowings refer to debt securities issued by the Company. They are recognised as a liability when a contractual agreement results in the Company having a present obligation to deliver cash or another financial asset to the holder. The liability is recognised at initial cost and amortised to the redemption value using the effective rate of interest over the life of the instrument.

Borrowing costs are charged as an expense to the profit and loss account in the period in which they are incurred.

(h) Share capital and dividends

Share issue costs
Incremental costs directly attributable to the issue of new shares or options or the acquisition of a business are shown in equity as a deduction, net of tax, from the proceeds.

Dividends on ordinary shares
Dividends on ordinary shares and discretionary dividends on preference shares are recognised in equity in the period in which they are paid or, if earlier, approved by the Company's shareholder.

(i) Cash and cash equivalents

For the purposes of the cash flow statement, cash comprises cash on 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.

(j) Capital reserve

Capital reserve represents consideration from the parent company, without contractual obligation to repay it.

4. Revenue

Analysis of revenue is as follows:

	2013 £	2012 £
Income from available for sale investments		
- Distributions received	-	1,636,717
Net profit on disposal of available for sale investments		
- Realised gains on available for sale investments	608,230	377,332
Total	**608,230**	**2,014,049**

5. Other income

	2013 £	2012 £
Release of discount on loans and other receivables	1,386,749	2,532,803

6. Other expense

	2013	2012
	£	£
Bank charges	2,990	3,076
Sales costs	-	270,864
Total	**2,990**	**273,940**

7. Interest receivable and similar income

	2013	2012
	£	£
Interest income on available for sale investments	324,309	1,256,406

8. Interest payable and similar expense

	2013	2012
	£	£
Interest payable to Group undertakings	1,733,079	3,165,590

9. Profit before tax

The Company's audit fee is borne by another group company. Although the audit fee is borne by another Group company, the fee that would have been charged to the Company amounts to £5,180 for the year (2012: £5,180). This fee is not recognised as an expense in the financial statements.

10. Employee and key management, including directors

Staff costs:
There were no employees employed by the Company during 2013 (2012: nil).

Directors' remuneration:
The Directors did not receive any emoluments in respect of their services to the Company during the year (2012: £nil).

11. Tax

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

	2013	2012
	£	£
Current tax:		
Current year	(335,999)	(203,243)
Adjustment for prior years	2,500,000	(3,516,672)
Total charge	**2,164,001**	**(3,719,915)**

The effective rate of tax is 23.25% (2012: 24.5%).

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

	2013	2012
	£	£
Tax movements through Equity		
Current tax charge/ (credit)	183,533	(170,925)
Deferred tax charge/ (credit)	(175,953)	(115,539)
Total charge/ (credit) to equity	**7,580**	**(286,464)**

11. Tax (continued)

A numerical reconciliation of the tax expense and product of accounting profit multiplied by the applicable tax rate is as follows:

	2013	2012
	£	£
Profit before tax	874,130	2,245,788
Tax charge at standard UK corporation tax rate of 23.25% (2012: 24.5%)	203,235	550,218
Adjustment for prior years	2,500,000	(3,516,672)
Non-taxable gains and income	(539,234)	(753,461)
Overall tax charge	2,164,001	(3,719,915)
Effective tax rate %	248%	(166)%

12. Available for sale financial investments

	2013	2012
	£	£
At 1 January	14,221,065	19,983,194
Exchange and other adjustments	(1,079,245)	(837,810)
Additions and transfers	-	498,039
Disposals	(5,948,103)	(6,277,808)
Revaluation surplus transferred to equity	(1,142,134)	(400,956)
Net gains transferred to net profit on disposal	1,024,464	-
Interest income transferred recognised in the income statement	324,309	1,256,406
At 31 December	**7,400,356**	**14,221,065**

The investments above represent investments in listed debt securities.

Subsequent to the year end, Barclays Capital Principal Investments Limited has revalued one of its available for sale investments. This has resulted in a reduction in value of £880,000 due to a decline in market conditions following the year end.

An analysis of the fair values of these securities and the valuation methodology applied is included in Note 20.

Information relating to financial risks is included at Note 19.

13. Loans and other receivables

An analysis of trade and other receivables is as follows:

	2013	2012
	£	£
Deferred consideration receivable	-	44,881,608
Interest receivable on deposits	162,665	162,676
Total current assets	**162,665**	**45,044,284**

In September 2013, the Company received settlement of the deferred consideration totalling €55,722,433 (£46,675,350) and $1,055,209 (£653,004) which was paid into another Group company. Consequently, the Company cancelled its outstanding loans with the Group company rather than receiving the consideration in cash.

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

14. Current and deferred tax liabilities

Current tax liabilities were as follows:

	2013	2012
	£	£
UK corporation tax payable	2,719,051	162,240

14. Current and deferred tax liabilities (continued)

The components of and the movement on the deferred income tax account during the year was as follows:

2013	1 January 2013 £	Charged /(credited to income statement) £	Charged /(credited to equity) £	31 December 2013 £
Assets				
Other timing differences	(175,953)	-	175,953	-
Total assets	**(175,953)**	-	**175,953**	-
Net deferred tax liability/(asset)	**(175,953)**	-	**175,953**	-
Falling due in one year	-	-	-	-
Falling due after one year	(175,953)	-	-	-

2012	1 January 2012 £	Charged /(credited to income statement) £	Charged /(credited to equity) £	31 December 2012 £
Assets				
Other timing differences	(291,492)		115,539	(175,953)
Total assets	**(291,492)**	-	**115,539**	**(175,953)**
Net deferred tax liability/(asset)	**(291,492)**	-	**115,539**	**(175,953)**
Falling due in one year	-	-	-	(175,953)
Falling due after one year	(291,492)	-	-	-

15. Trade and other payables

An analysis of trade and other payables is as follows:

	2013 £	2012 £
Interest payable	157,569	288,304
Sales costs	2,010,552	2,012,786
Total	**2,168,121**	**2,301,090**

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

16. Short term borrowings

An analysis of the Company's borrowings is as follows:

	2013 Current £	2012 Current £
Amounts due to Group undertakings	7,926,922	58,540,212

In September 2013, the Company received settlement of the deferred consideration totalling €55,722,433 (£46,675,350) and \$1,055,209 (£653,004) which was paid into another Group company. Consequently, the Company cancelled its outstanding loans with the Group company rather than receiving the consideration in cash.

During the year, the Company disposed of shares in Nordic Telecom totalling €5,721,700 (£4,923,639), the consideration for which was received into another Group company. Consequently, the Company cancelled its outstanding loans with the Group company rather than receiving the consideration in cash.

17. Share capital

Particulars of the Company's share capital were as follows:

	Authorised number of ordinary shares	Issued ordinary £1 shares
		£
As at 1 January and at 31 December 2013	4,000,000	810,002
As at 1 January and at 31 December 2012	4,000,000	810,002

The par value of the ordinary shares is £1.00 each. All issued shares are fully paid.

18. Cash flow statement

In September 2013, the Company received settlement of the deferred consideration totalling €55,722,433 (£46,675,350) and $1,055,209 (£653,004) which was paid into another Group company. Consequently, the Company cancelled its outstanding loans with the Group company rather than receiving the consideration in cash. As such, these items are not disclosed in the cash flow statement.

During the year, the Company disposed of shares in Nordic Telecom totalling €5,721,700 (£4,923,639), the consideration for which was received into another Group company. Consequently, the Company cancelled its outstanding loans with the Group company rather than receiving the consideration in cash.

19. 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). 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.

The Company's Directors are required to follow the requirements of the Barclays Group risk management policies. This policy includes specific guidelines on the management of foreign exchange, interest rate and credit risks, and advises on the use of financial instruments to manage them. The Company seeks to minimize its exposure to liquidity and credit risk by applying these policies, and monitors exposures on a portfolio basis.

(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. The Company monitors its exposures and seeks to minimize its credit exposures by monitoring the credit rating of its counterparties in accordance with Barclays Group risk management policies.

Financial assets subject to credit risk neither past due nor individually impaired

The Company has credit risk on its loans and other receivables to Group companies and cash and cash equivalents held with Barclays Bank PLC. No financial assets subject to credit risk are past due nor individually impaired. As Barclays Bank PLC has a credit rating of A (stable), the Company considers the quality of the credit to be good and the Company does not hold any collateral as security.

(b) Liquidity risk

This is the risk that the Company's cash and committed facilities may be insufficient to meet its debts as they fall due. The Company has the financial support of the parent undertaking Barclays Bank PLC, it also maintains banking facilities with Barclays Bank PLC. These facilities are designed to ensure the Company has sufficient available funds for operations.

The monitoring and reporting of liquidity risk take the form of cash flow measurements and projections for the next day, week and month as these are key periods for liquidity management. Sources of liquidity are regularly reviewed.

19. Financial risks (continued)

Contractual maturity of financial liabilities on an undiscounted basis

The table below presents the cash flows payable by the Company under financial liabilities by remaining contractual maturities at the balance sheet date. The amounts disclosed in the table are the contractual undiscounted cash flows of all financial liabilities (i.e. nominal values), whereas the Company manages the inherent liquidity risk based on discounted expected cash inflows.

31 December 2013	One year or less £	Total £
Financial liabilities	7,926,922	7,926,922
Other liabilities	4,887,172	4,887,172
Total liabilities	**12,814,094**	**12,814,094**

31 December 2012	One year or less £	Total £
Financial liabilities	58,540,212	58,540,212
Other liabilities	2,639,283	2,639,283
Total liabilities	**61,179,495**	**61,179,495**

(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.

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. The Company's interest rate risk arises from short term borrowings.

The Company's borrowings are at a short term fixed rate.

Interest rate sensitivity analysis

The sensitivity of the income statement is the effect of assumed changes in interest rates on the net interest expense for one year.

The effect on interest of a 25 basis points change would be as follows:

Impact on net interest expense

	2013				2012			
	+25 basis point move		-25 basis point move		+25 basis points move		-25 basis points move	
	£	%	£	%	£	%	£	%
Total	(16,086)	4%	16,086	(4)%	(209,900)	7%	209,900	(7)%

Effect on equity

	2013				2012			
	+25 basis point move		-25 basis point move		+25 basis points move		-25 basis points move	
	£	%	£	%	£	%	£	%
Total	(16,086)	0%	16,086	(0)%	(209,900)	0%	209,900	0%

19. Financial risks (continued)

Foreign currency risk

The Company is exposed to foreign currency risk from future foreign currency transactions, and recognised assets and liabilities.

At 31 December 2013, the Company had net euro assets of £2,051,798 (2012: £404,137), net US Dollar liabilities of £3,893 (2012: assets £2,464) and net South African Rand assets of £104,062 (2012: £1,535,691).

Effect on income

	2013				2012			
	Impact on profit after tax if currency weakens 10% vs. GBP		Impact on profit after tax if currency strengthens 10% vs. GBP		Impact on profit after tax if currency weakens 10% vs. GBP		Impact on profit after tax if currency strengthens 10% vs. GBP	
	£	%	£	%	£	%	£	%
Euro	(143,160)	11%	174,973	(14)%	(27,738)	(0)%	33,903	1%
US dollar	272	(0)%	(332)	0%	(166)	(0)%	202	0%
South African Rand	(7,261)	1%	8,874	(1)%	(83,340)	(1)%	101,860	2%

Effect on equity

	2013				2012			
	Impact on equity after tax if currency weakens 10% vs. GBP		Impact on equity after tax if currency strengthens 10% vs. GBP		Impact on equity after tax if currency weakens 10% vs. GBP		Impact on equity after tax if currency strengthens 10% vs. GBP	
	£	%	£	%	£	%	£	%
Euro	(143,160)	(0)%	174,973	0%	(27,738)	(0)%	33,903	0%
US dollar	272	0%	(332)	(0)%	(166)	(0)%	202	0%
South African Rand	(7,261)	(0)%	8,874	0%	(83,340)	(0)%	101,860	0%

Price risk

Price risk is the risk that the fair value of the Company's investments measured at fair value will fall. The Company is exposed to price risk because of investments classified as fair value through profit or loss or available for sale will fluctuate because of changes in market prices other than those arising from interest rate or currency risk but including unobservable inputs.

At 31 December the company held an investment which was valued using the earnings multiple methodology based on comparable companies in the South African retail industry. The multiple is a significant assumption in the valuation and could reasonably vary by +/-10% (2012: +15% / -5%), the effect of which is shown in the following tables:

Effect on income

	2013				2012			
	+10% PE movement		-10% PE movement		+15% PE movement		-5% PE movement	
	£	%	£	%	£	%	£	%
Total	701,113	54%	(701,113)	(54)%	1,454,638	95%	(484,879)	(32)%

Effect on equity

	2013				2012			
	+10% PE movement		-10% PE movement		+15% PE movement		-5% PE movement	
	£	%	£	%	£	%	£	%
Total	701,113	(1)%	(701,113)	1%	1,454,638	(2)%	(484,879)	1%

At 31 December the Company held an investment which was subject to partial disposal throughout 2013. The valuation of the investment at year end was based on the value of the last disposal which took place in October 2013. Given this, the price could reasonably expect to vary by +/-10% (2012: +10% / -10%), the effect of which is shown in the following tables:

Effect on income

	2013				2012			
	+10% PE movement		-10% PE movement		+10% PE movement		-10% PE movement	
	£	%	£	%	£	%	£	%
Total	38,923	(3)%	(38,923)	3%	452,348	8%	(452,348)	(8)%

Effect on equity

	2013				2012			
	+10% PE movement		-10% PE movement		+10% PE movement		-10% PE movement	
	£	%	£	%	£	%	£	%
Total	38,923	(0)%	(38,923)	0%	452,348	(1)%	(452,348)	1%

20. Fair values

The fair value of an asset or liability is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following tables show the fair value of financial assets and liabilities measured at amortised cost analysed by fair value hierarchy and balance sheet classification:

	Quoted market prices (Level 1)	Observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
31 December 2013	£	£	£	£
Available for sale investments	-	-	7,400,356	7,400,356

	Quoted market prices (Level 1)	Observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
31 December 2012	£	£	£	£
Available for sale investments	-	-	14,221,065	14,221,065

Valuation methodology

A description of the nature of the techniques used to calculate valuations based on observable inputs and valuations based on unobservable inputs is described below.

Valuations based on observable inputs

Quoted market prices - Level 1

Financial instruments are classified as Level 1 if their value is observable in an active market. Such instruments are valued by reference to unadjusted quoted prices for identical assets or liabilities in active markets where the quoted price is readily available, and the price represents actual and regularly occurring market transactions. An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an ongoing basis;

Valuation technique using observable inputs - Level 2

Financial instruments classified as Level 2 have been valued using models whose inputs are observable in an active market. Valuations based on observable inputs include financial instruments such as swaps and forwards which are valued using market standard pricing techniques, and options that are commonly traded in markets where all the inputs to the market standard pricing models are observable;

20. Fair values (continued)

Valuations based on unobservable inputs

Valuation technique using significant unobservable inputs - Level 3

Valuations based on inputs that are not based on observable market data (unobservable data) include the use of valuation techniques which are in accordance with the International Private Equity and Venture Capital Valuation Guidelines.

Movements in Level 3 assets and liabilities

The following table summarises the movements in the Level 3 balance during the year. The table shows gains and losses and includes amounts for all assets and liabilities transferred to and from Level 3 during the year. Transfers have been reflected as if they had taken place at the beginning of the year.

	As at 1 January 2013	Additions	Disposals	Total gains or losses recognised in profit and loss	Total gains or losses recognised in OCI	As at 31 December 2013
	£	£	£	£	£	£
Available for sale investments	14,221,065	-	(5,948,103)	269,528	(1,142,134)	7,400,356

	As at 1 January 2012	Additions	Disposals	Total gains or losses recognised in profit and loss	Total gains or losses recognised in OCI	As at 31 December 2012
	£	£	£	£	£	£
Available for sale investments	19,983,194	498,039	(6,277,808)	418,596	(400,956)	14,221,065

21. Related party transactions

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

The definition of related parties includes parent company, ultimate parent company and the Company's key management which includes its Directors.

The parent and ultimate controlling party of the Company are disclosed in note 23.

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

	Parent Companies	Group companies	Total
For the year ended 31 December 2013	£	£	£
Interest payable and similar charges	(513,497)	(1,219,582)	(1,733,079)
Other expense	(2,990)	-	(2,990)
Balances outstanding at 31 December			
Loans and other receivables	162,665	-	162,665
Cash	3,109,961	-	3,109,961
Share capital	810,002	-	810,002
Capital reserve	62,996,311	-	62,996,311
Amounts due to Group undertakings	-	(7,926,922)	(7,926,922)
Trade and other payables	-	(2,168,121)	(2,168,121)

21. Related party transactions (continued)

For the year ended 31 December 2012	Parent Companies £	Group companies £	Total £
Interest payable and similar charges	(2,575,927)	(589,663)	(3,165,590)
Other expense	(3,076)	-	(3,076)
Balances outstanding at 31 December			
Loans and other receivables	162,676	-	162,676
Cash	1,603,272	-	1,603,272
Share capital	810,002	-	810,002
Capital reserve	62,996,311	-	62,996,311
Amounts due to Group undertakings	(52,672,145)	(5,868,067)	(58,540,212)
Trade and other payables	-	(2,301,090)	(2,301,090)

22. Capital management

The Company's objectives when managing capital are:

- To safeguard the Company's ability to continue as a going concern,
- To maintain an optimal capital structure in order to reduce the cost of capital, and
- 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:	2013 £	2012 £
Share capital	810,002	810,002
Available for sale reserves	219,620	759,986
Capital reserve	62,996,311	62,996,311
Accumulated losses	(66,167,045)	(64,877,173)
Total capital resources	**(2,141,112)**	**(310,874)**

23. Parent undertaking and ultimate holding company

The parent undertaking is Barclays Bank PLC. The parent undertaking of the smallest group that presents consolidated financial statements is Barclays Bank PLC. The ultimate holding company and the parent company of the largest group that presents group financial statements is Barclays PLC. Both companies are incorporated in the United Kingdom and registered in England. Barclays Bank PLC and Barclays PLC's statutory financial statements are available from Barclays Corporate Secretariat, 1 Churchill Place, London E14 5HP.