

# **MENLO INVESTMENTS LIMITED**

## **Report and Financial Statements For the year ended 31 December 2012**



**REGISTERED NUMBER IN ENGLAND & WALES: 3479178**

## **MENLO INVESTMENTS LIMITED**

Registered Number in England & Wales 3479178

### **DIRECTORS' REPORT**

**For the year ended 31 December 2012**

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

#### **Review of business and future outlook**

The principal activity of the Company is to act as an investment company. No significant change in this activity is envisaged in the foreseeable future and the directors expect the company's performance to be in line with the current year.

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

Given the nature of the business, the Company's directors are of the opinion that analysis using key performance indicators (KPIs) is not necessary for an understanding of the development, performance or position of the business.

#### **Results and Dividends**

During the year the Company made a loss after taxation of £1,895 (2011: £1,613). The directors did not declare interim dividends for 2012 (2011: £nil). The directors consider that the performance of the Company has been satisfactory during the year.

#### **Going Concern**

After reviewing the Company's performance and taking into account the support from Barclays Bank Plc, the directors are satisfied that the Company has adequate access to resources to enable them 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.

#### **Derivatives and financial instruments**

The Company's directors operate within the requirements of the Barclays Group risk management policies, which include specific guidelines on the management of foreign exchange, credit and interest rate risks and advise on the use of financial instruments to manage them. Barclays Group risk management policies can be found in the financial statements of Barclays Bank PLC (see pages 23 to 65 and 71 to 95).

#### **Directors**

The directors of the Company, who served during the year are as shown below:

M Brown  
G Clark  
P Dickinson  
B Hill

Since the year end, M Brown was removed as a Director and RJ Craine and T Morjaria was appointed as a Director on 8 April 2013.

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### **DIRECTORS' REPORT (continued)**

For the year ended 31 December 2012

#### **Directors' third party indemnity provisions**

Qualifying third-party indemnity provisions were in force during the course of the financial year ended 31st December 2012 for the benefit of the then Directors and, at the date of this report, are in force for the benefit of the Directors in relation to certain losses and liabilities which they may incur (or have incurred) in connection with their duties/powers of office

#### **Statement of Directors' Responsibilities**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that 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.

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**DIRECTORS' REPORT (continued)**  
**For the year ended 31 December 2012**

**Statement of Directors' Responsibilities (continued)**

In accordance with Section 418, each director in office at the date the directors' report is approved, confirms that

(a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

**Auditors**

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

ON BEHALF OF THE BOARD



Director

Name

*PAUL DICKINSON*

Date

*25/4/13*

For and on behalf of Menlo Investments Limited

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

We have audited the financial statements of Menlo Investments Limited for the year ended 31 December 2012, which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

As explained more fully in the Directors' Responsibilities Statement 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. In addition, we read all the financial and non-financial information in the Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

### **Opinion on financial statements**

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, 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

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### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MENLO INVESTMENTS LIMITED (continued)**

- 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

*Mark Randell*

Mark Randell (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
United Kingdom  
Date 26 APRIL 2013

**MENLO INVESTMENTS LIMITED**

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**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2012**

	Note	2012 £	2011 £
Interest payable and similar charges	4	(2,510)	(2,194)
Loss on ordinary activities before taxation	5	<u>(2,510)</u>	<u>(2,194)</u>
Tax on loss on ordinary activities	6	615	581
Loss on ordinary activities after taxation		<u><u>(1,895)</u></u>	<u><u>(1,613)</u></u>

All recognised gains and losses are included in the profit and loss account. Results are derived from continuing activities. There is no difference between the results disclosed in the profit and loss account and the results on an unmodified historical cost basis. The notes 1 to 14 form an integral part of these financial statements.

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**BALANCE SHEET AS AT 31 DECEMBER 2012**

	Note	2012 £	2011 £
FIXED ASSET INVESTMENTS	7	501,507	501,507
CURRENT ASSETS			
CURRENT ASSET INVESTMENTS	8	393,060,752	393,060,752
Cash at bank and cash in hand		2,089	4,482
DEBTORS Amounts falling due within one year	9	877	581
CREDITORS Amounts falling due within one year	10	(393,677,438)	(393,677,640)
NET CURRENT LIABILITIES		(613,720)	(611,825)
NET LIABILITIES		(112,213)	(110,318)
CAPITAL AND RESERVES			
Called up share capital	11	100,000	100,000
Profit and loss account		(212,213)	(210,318)
TOTAL SHAREHOLDER'S FUNDS	12	(112,213)	(110,318)

A reconciliation of movement in shareholder's funds is given in note 12

The notes 1 to 14 form an integral part of these financial statements

The financial statements were approved by the Board of Directors and authorised for issue on 25 April 2013 and were signed on its behalf by

  
 Director *Paul Dickinson*  
 Name  
 Date 25.04.2013



# **MENLO INVESTMENTS LIMITED**

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## **NOTES TO THE FINANCIAL STATEMENTS**

### **1 ACCOUNTING POLICIES**

#### **Basis of accounting**

The financial statements have been prepared on a going concern basis under the historical cost convention, the accounting policies, which have been applied consistently throughout the year, set out below and in accordance with the Companies Act 2006 and applicable accounting standards of the Accounting Standards Board and pronouncements of the Urgent Issues Task Force

#### **Basis of preparation**

After reviewing the Company's performance and taking into account the support from Barclays Bank Plc, the directors are satisfied that the Company has adequate access to resources to enable them 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

#### **Interest**

Interest income and expense is recognised on an accruals basis

#### **Foreign Exchange**

Monetary assets and liabilities in foreign currencies are translated into Pound sterling at the exchange rate ruling at the balance sheet date except where rates of exchange are fixed under contractual arrangements. Trading results denominated in foreign currencies are translated into Pound sterling at average rates of exchange during the year unless a contracted rate applied. All exchange differences are included in the profit and loss account

#### **Taxation**

The charge for taxation is based on the results for the period and takes into account taxation deferred. Deferred taxation is recognised on timing differences arising between the treatment of certain items for taxation and accounting purposes

#### **Investments in subsidiaries**

Investments in ordinary shares in subsidiaries are accounted for as fixed assets while the investments in preference shares are accounted for as current assets investment. The preference shares owned by the Company do not have any voting rights and are redeemable at the option of the Company or the issuer on at least one business day's notice. The fixed assets investments are stated at cost less any permanent diminution in value and the current assets investments are measured as the lower of net realizable value and recoverable amount

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## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **1 ACCOUNTING POLICIES (continued)**

#### **Preference shares issued and borrowings**

The liability in respect of the redeemable preference shares issued by the Company has been classified as creditors falling due within one year in line with the Company policy because there is a obligation to deliver cash or another financial asset to the holder. The discretionary nature of redeemable preference share distributions results in them being classified as dividends paid in accordance with FRS 25

Borrowings refer to loans and advances entered into and Class E preference shares 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 initially recognised at cost with borrowing costs accrued and charged as an expense to the profit and loss in the period in which they are incurred. Borrowing costs are charged as an expense to the profit and loss account in the period in which they are incurred.

#### **Consolidated financial statements**

The financial statements contain information about Menlo Investments Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Barclays PLC, a company registered in England and Wales.

### **2 CASH FLOW STATEMENT**

The Company's ultimate holding company, Barclays PLC, prepares consolidated financial statements which are publically available. Accordingly the Company, which is a wholly owned subsidiary of Barclays PLC, has elected to utilise the exemption provided in FRS 1 not to produce a cash flow statement.

### **3 DIRECTORS' EMOLUMENTS**

The Directors did not receive any emoluments in respect of their services to the Company during 2012 or 2011.

### **4 INTEREST PAYABLE AND SIMILAR CHARGES**

	2012 £	2011 £
Interest payable to group undertakings	2,510	2,194
	<u>2,510</u>	<u>2,194</u>

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### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### 5. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

There were no employees employed by the Company during 2012 and 2011. The audit fee is borne by another group company. Although the audit fee is borne by another group company, the fee that would have been charged to the company amounts to £2,550 (2011: £2,487) for the year. This fee is not recognised as an expense in the financial statements.

#### 6. TAXATION

	2012 £	2011 £
UK Corporation Tax credit	615	581
Tax credit	<u>615</u>	<u>581</u>

The UK corporation tax charge is based on a blended UK corporation tax rate of 24.5% (year ended 31 December 2011: 26.5%), arising from the change in the UK corporation tax rate from 26% to 24%, effective from 1 April 2012.

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

	2012 £	2011 £
Loss on ordinary activities before tax	(2,510)	(2,194)
Loss on ordinary activities multiplied by the rate of corporation tax in the UK of 24.5% (2011: 26.5%)	615	581
Current tax credit for the year	<u>615</u>	<u>581</u>

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### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### 7 FIXED ASSETS INVESTMENTS

	2012 £	2011 £
Cost at 1 January	501,507	501,507
Cost at 31 December	<u>501,507</u>	<u>501,507</u>

The directors believe that the carrying value of the investments is supported by their underlying net assets. Investment in subsidiary undertakings represents the ordinary shares of the Company's subsidiaries Bramley Landing Limited, Core Investments (Cayman) Limited, and Pippin Island Investments Limited. The share holdings of these entities are detailed below.

Subsidiary undertaking	Country of incorporation	Country of Operation	Principal activity	Equity capital held
Bramley Landing Limited	Cayman Island	United Kingdom	Investment company	100%
Core Investments (Cayman) Limited	Cayman Island	United Kingdom	Investment company	100%
Pippin Island Investments Limited	Cayman Island	United Kingdom	Investment company	100%

In the opinion of the directors, the value of the Company's investments in its subsidiary undertakings is not less than the amount stated in the balance sheet.

#### 8 CURRENT ASSET INVESTMENTS

	2012 £	2011 £
Preference shares held in Bramley Landing Limited	391,680,105	391,680,105
Preference shares held in Core Investments (Cayman) Limited	1,380,647	1,380,647
Cost at 31 December	<u>393,060,752</u>	<u>393,060,752</u>

The Company owns 15.2% of the £0.01 Redeemable Preference Shares of Bramley Landing Limited and 100% of the Preference Shares of Core Investments (Cayman) Limited.

All of the preference shares owned by the Company do not have any voting rights and are redeemable at par at the option of the Company or the issuer on at least one business day's notice. Dividends on the preference shares are payable at the discretion of the issuer.

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**NOTES TO THE FINANCIAL STATEMENTS (continued)****9. DEBTORS. Amounts falling due within one year**

	2012 £	2011 £
Group relief receivable	877	581
	<u>877</u>	<u>581</u>

**10. CREDITORS. Amounts falling due within one year**

	2012 £	2011 £
Amounts owed to group undertakings	212,189	212,391
Preference shares	393,465,249	393,465,249
	<u>393,677,438</u>	<u>393,677,640</u>

<b>Preference Share Capital</b>	2012 £	2011 £
Authorised		
400,100,000 redeemable preference shares of £1 each	400,100,000	400,100,000
	<u></u>	<u></u>
Allotted and fully paid		
393,465,249 redeemable preference shares of £1 each	393,465,249	393,465,249
	<u></u>	<u></u>

The preference shares have no voting rights attached to them and are redeemable at par at the option of the company or the preference shareholder at any time on at least one business days notice. Dividends on the preference shares are payable at the discretion of the Company's directors. The preference shares have preferential liquidation entitlement of their original subscription price plus any declared but unpaid dividends.

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### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### 11. CALLED UP SHARE CAPITAL

	2012 £	2011 £
Authorised 28,000,000 ordinary shares of £1 each	28,000,000	28,000,000
Allotted and fully paid 100,000 ordinary shares of £1 each	100,000	100,000

Dividends on the ordinary shares are payable at the discretion of the Company's directors

#### 12. RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS

	2012 £	2011 £
Loss for the financial year	(1,895)	(1,613)
Increase in shareholder's funds	(1,895)	(1,613)
Opening shareholder's funds	(110,318)	(108,705)
Closing shareholder's funds	(112,213)	(110,318)

#### 13. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption under the provisions of Financial Reporting Standard 8 ("FRS 8"), Related Party Disclosures not to disclose transactions with other group companies since the Company is a wholly owned subsidiary of Barclays PLC, the consolidated financial statements of which are publicly available. There have been no other transactions with related parties requiring disclosure during the year (2011: none) other than those reported in the financial statements.

#### 14. PARENT UNDERTAKING AND ULTIMATE HOLDING COMPANY

The parent undertaking of the smallest group that presents group accounts is Barclays Group Holdings Limited. The ultimate parent company and controlling party is Barclays PLC, which is the parent company of the largest group that presents group accounts. Barclays Group Holdings Limited and Barclays PLC's statutory accounts are available from Barclays Corporate Secretariat, 1 Churchill Place, London E14 5HP.