

PYRUS INVESTMENTS LIMITED

600105/180

Report and Financial Statements
For the period from 1 January to 3 January 2008

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26/01/2009
COMPANIES HOUSE

REGISTERED NUMBER (CAYMAN): CR109646

REGISTERED NUMBER IN ENGLAND AND WALES: FC024184

Pyrus Investments Limited
Period from 1 January to 3 January 2008
Directors' Report

The Directors present their report together with the audited financial statements for the period from 1 January to 3 January 2008.

Review of business and future outlook

The principal activity of the Company is to act as an investment company. During the period, the Company redeemed the preference shares in issue and terminated a sale and repurchase agreement with Barclays Bank PLC. Consequently, the Directors of the Company expect annual interest receivable and payable to reduce significantly.

The Directors have reviewed the Company's business and performance and consider it to be in line with expectations for the period. The Directors consider that the Company's position at the end of the period 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 is not necessary for an understanding of the development, performance or position of the business.

Results and Dividends

During the period, the Company made a loss after taxation of \$3,222,454 (Year ended 31 December 2007: profit after taxation of \$108,374,512). No final dividend is recommended in respect of the ordinary shares (Year ended 31 December 2007: \$nil). The Directors made distributions to the preference shareholders for the period from 1 January to 3 January 2008 of \$1,843,333 (Year ended 2007: \$224,272,222). The Directors consider that the performance of the Company has been in line with expectation for the period.

Directors

The Directors of the Company, who served during the period, together with their dates of appointment and resignation, where appropriate, are as shown below:

P Emney
A Forster (resigned on 03/01/2008)
S Poulter
A Shah
S Ullman

Change in Accounting Period

The previous accounting period was for the year ended 31 December 2007.

Directors' Indemnities

Qualifying third-party indemnity provisions (as defined by section 309B of the Companies Act 1985) were in force during the course of the period from 1 January to 3 January 2008 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.

Derivatives and financial instruments

The Company's Directors are required to follow the requirements of the Barclays Group risk management policy, which includes specific guidelines on the management of foreign exchange, credit and interest rate risks and advises 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. The exposure of the Company to interest rate risk is set out in note 11.

Statement of Directors' Responsibilities

The following statement, which should be read in conjunction with the Auditors' Report, 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, as applicable to overseas companies, to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company as at the end of the financial period and of the profit or loss for the financial period.

The Directors consider that in preparing the financial statements,

- 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, as applicable to overseas companies.

Each of the Directors in office as at the date of this report confirms that:


- there is no relevant audit information of which the Company's auditors are unaware, and
- 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.

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Auditors

PricewaterhouseCoopers LLP have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the next Annual General Meeting.

BY ORDER OF THE BOARD


Director
for and on behalf of Pyrus Investments Limited
29 April 2008

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PYRUS INVESTMENTS LIMITED

We have audited the financial statements of Pyrus Investments Limited for the period from 1 January 2008 to 3 January 2008 which comprise the Profit and Loss Account, 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 financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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, as applicable to overseas companies, 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 are properly prepared in accordance with the Companies Act 1985, as applicable to overseas companies. 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.

Pyrus Investments Limited
Period from 1 January to 3 January 2008

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PYRUS INVESTMENTS LIMITED
(continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 3 January 2008 and of its loss and cash flows for the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985, as applicable to overseas companies; and
- the information given in the Directors' Report is consistent with the financial statements.



PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

London, United Kingdom

Date: 30 April 08

Pyrus Investments Limited
Period from 1 January to 3 January 2008
Profit and Loss account

	Notes	Period from 1 January 2008 to 3 January 2008 \$	Year Ended 31 December 2007 \$
Administrative expenses		(311)	(336,981)
Operating loss		<u>(311)</u>	<u>(336,981)</u>
Interest receivable and similar income	3	1,129,585	321,729,711
Interest payable and similar charges	4	(5,474,219)	(116,759,685)
(Loss)/profit on ordinary activities before taxation	5	<u>(4,344,945)</u>	<u>204,633,045</u>
Tax credit/(charge) on (loss) / profit on ordinary activities	6	1,122,491	(96,258,533)
(Loss)/profit on ordinary activities after taxation		<u><u>(3,222,454)</u></u>	<u><u>108,374,512</u></u>

All recognised gains and losses are included in the profit and loss account. The operating loss is 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 to the accounts form an integral part of these financial statements.

Pyrus Investments Limited
At 3 January 2008
Balance Sheet

	Notes	3 January 2008 \$	31 December 2007 \$
CURRENT ASSETS			
DEBTORS: Amounts falling due within one year	7	2,031,009,335	4,936,879,998
CREDITORS: Amounts falling due within one year	8	(23,192,003)	(2,925,840,212)
NET CURRENT ASSETS		<u>2,007,817,332</u>	<u>2,011,039,786</u>
NET ASSETS		<u>2,007,817,332</u>	<u>2,011,039,786</u>
CAPITAL AND RESERVES			
Called up share capital	9	9,100	9,100
Share premium	9	909,990,900	909,990,900
Profit and loss account		1,097,817,332	1,101,039,786
TOTAL EQUITY SHAREHOLDERS' FUNDS	10	<u>2,007,817,332</u>	<u>2,011,039,786</u>

A reconciliation of movement in shareholders' funds is given in note 10.
The notes to the accounts form an integral part of these financial statements.

The financial statements were approved by the board of Directors and authorised for issue on 29 April 2008. They were signed on its behalf by:


Director
29 April 2008

Pyrus Investments Limited
Period from 1 January to 3 January 2008
Cash Flow Statement

	Notes	Period from 1 January 2008 to 3 January 2008 \$	Year Ended 31 December 2007 \$
Net cash outflow from operating activities	12	(311)	(337,940)
Returns on investments and servicing of finance	13	(3,687,028)	98,059,178
Capital expenditure and financial investments	14	-	1,110,099,614
Taxation		-	(123,816,848)
Management of liquid resources	15	2,906,750,000	(1,136,000,000)
Financing	16	(2,902,236,600)	-
Increase/(decrease) in cash during the period	17	<u>826,061</u>	<u>(51,995,996)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

		3 January 2008 \$	31 December 2007 \$
Increase/(decrease) in cash during the period		826,061	(51,995,996)
Cash (outflow) /inflow from change in liquid resources		(6,750,000)	26,000,000
Change in net funds		<u>(5,923,939)</u>	<u>(25,995,996)</u>
Net funds at 1 January		26,518,342	52,514,338
Net funds at 3 January/31 December	17	<u>20,594,403</u>	<u>26,518,342</u>

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, the accounting policies set out below and in accordance with applicable accounting standards of the Accounting Standards Board and pronouncements of the Urgent Issues Task Force.

Overseas company

The financial statements have been prepared in accordance with the Companies Act 1985 as applicable to overseas companies. The Company has taken advantage of the modifications and exemptions from disclosure that are set out in the Overseas Companies (Accounts) (Modifications and Exemptions) Order 1990.

Revenue Recognition

Interest income is recognised on an accruals basis.

Foreign Exchange

Assets and liabilities are translated at the exchange rate ruling at the balance sheet date except where rates of exchange are fixed under contractual arrangements. Exchange differences are taken to the profit and loss account as they arise. Transactions denominated in foreign currencies are translated into US dollars at average rates of exchange during the period unless a contracted rate applied. The US dollar to Sterling exchange rate prevailing at the balance sheet date was 1.97450 (Year ended 31 December 2007: 2.00334).

Derivative Financial instruments

The company was party to financial instruments that reduce exposure to fluctuations in interest rates. The purpose of these instruments was to reduce risk.

Derivative financial instruments are accounted for on an accruals basis in line with the underlying assets or liabilities. Income and expense was taken to the same line in the profit and loss account as the underlying asset or liability. Disclosures about derivative financial instruments to which the Company was a party are provided in note 11.

Taxation

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

Pyrus Investments Limited
Period from 1 January to 3 January 2008
Notes to the financial statements

2. DIRECTORS' EMOLUMENTS

The directors did not receive any emoluments in respect of their services to the Company during the period and the prior year.

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	Period from 1 January 2008 to 3 January 2008 \$	Year Ended 31 December 2007 \$
Interest receivable from parent and group undertakings	1,129,585	263,362,586
Interest receivable from fixed asset investments	-	58,367,125
	<u>1,129,585</u>	<u>321,729,711</u>

Interest receivable from parent and group undertakings represents amounts receivable from Barclays Bank PLC \$1,092,585 (31 December 2007: \$247,907,359) and Barclays Mercantile Business Finance Limited \$37,000 (31 December 2007: \$15,455,227).

4. INTEREST PAYABLE AND SIMILAR CHARGES

	Period from 1 January 2008 to 3 January 2008 \$	Year Ended 31 December 2007 \$
Dividends on redeemable preference shares:		
- Paid and accrued	1,843,333	224,272,222
- Redemption adjustment	(112,783)	(107,512,537)
Sale and repurchase agreement interest payable	2,920,004	-
Swap interest payable	823,665	-
	<u>5,474,219</u>	<u>116,759,685</u>

The Company paid a fixed dividend on the redeemable preference shares in issue. The fixed dividend includes an element of capital repayment (redemption adjustment). The redemption adjustment is a variable element and the amount is dependent upon Libor rates of interest prevailing at the time. The net finance cost associated with the preference shares of \$1,730,550 for the period 1 January to 3 January 2008 (31 December 2007: \$116,759,685) is the combination of the dividend paid, less the variable redemption adjustment component of the dividend and includes associated breakage costs.

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

There were no employees employed by the Company during the period 1 January to 3 January 2008 and for the year ended 31 December 2007. The 2008 audit fee is borne by Barclays Bank PLC. The fee that would otherwise have been charged to the company amounts to \$5,975 for the period. This fee is not recognised as an expense in the financial statements.

6. TAX CREDIT ON LOSS ON ORDINARY ACTIVITIES

	Period from 1 January 2008 to 3 January 2008 \$	Year Ended 31 December 2007 \$
Current tax:		
United Kingdom taxation (credit) / charge on income for the period	(1,122,491)	96,258,533

The tax credit is based on a standard UK corporation tax rate of 30%. The effective tax rate is higher than the standard tax rate as a result of foreign exchange and non-deductible preference share dividends. The differences are explained below:

	Period from 1 January 2008 to 3 January 2008 \$	Year Ended 31 December 2007 \$
(Loss) / profit on ordinary activities before taxation	(4,344,945)	204,633,045
(Loss) / profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2007: 30%)	(1,303,484)	61,389,913
Effects of:		
Non-deductible preference share dividends	519,165	35,027,906
Foreign exchange	(338,172)	(159,286)
Current tax (credit) / charge	(1,122,491)	96,258,533

Pyrus Investments Limited
Period from 1 January to 3 January 2008
Notes to the financial statements

7. DEBTORS

Debtors falling due within one year	3 January 2008	31 December 2007
	\$	\$
Amounts owed by parent and group undertakings	2,031,009,335	4,936,879,998
	<u>2,031,009,335</u>	<u>4,936,879,998</u>

Amounts owed by parent and group undertakings falling due within one year represent amounts due from Barclays Bank PLC \$1,730,972,335 (31 December 2007: \$4,936,879,998) and Barclays Mercantile Business Finance Limited \$300,037,000 (31 December 2007: \$nil). Amounts owed by Barclays Bank PLC and falling due within one year includes bank balances of \$20,594,403 (31 December 2007: \$26,518,342) and loans of \$1,710,377,932 (31 December 2007: \$1,910,011,656).

8. CREDITORS

Creditors falling due within one year	3 January 2008	31 December 2007
	\$	\$
Corporation tax	22,368,338	23,490,829
Preference share liability	-	2,902,349,383
Amounts owed to group undertakings	823,665	-
	<u>23,192,003</u>	<u>2,925,840,212</u>

The prior year's preference share liability represents redeemable preference shares issued and allotted by the Company as follows:

Pyrus Investments Limited
Period from 1 January to 3 January 2008
Notes to the financial statements

8. CREDITORS (Continued)

	3 January 2008 \$	31 December 2007 \$
Authorised:		
40,000,000 non-voting redeemable preference shares of \$0.01 each	400,000	400,000
8,000,000 redeemable preference shares of \$0.01 each	80,000	80,000
	<u>480,000</u>	<u>480,000</u>
Allotted and fully paid:		
4,000,000 redeemable preference shares of \$0.01 each	-	40,000
	<u>-</u>	<u>40,000</u>
Share premium:		
4,000,000 redeemable preference shares of \$999.99 each	-	3,999,960,000
Redemption proceeds adjustment	-	(1,097,650,617)
	<u>-</u>	<u>2,902,309,383</u>

On 24 December 2007, the Company served a redemption notice on the Holder of the redeemable preference shares. The shares were redeemed on 3 January 2008.

9. CALLED UP SHARE CAPITAL

	3 January 2008 \$	31 December 2007 \$
Authorised:		
32,000,000 ordinary shares of \$0.01 each	320,000	320,000
4,000 redeemable unlimited shares of \$0.01 each	40	40
	<u>320,040</u>	<u>320,040</u>
Allotted and fully paid:		
910,000 ordinary shares of \$0.01 each	9,100	9,100
	<u>9,100</u>	<u>9,100</u>
Share premium:		
910,000 ordinary shares of \$999.99 each	909,990,900	909,990,900
	<u>909,990,900</u>	<u>909,990,900</u>

10. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Period from 1 January 2008 to 3 January 2008 \$	Year Ended 31 December 2007 \$
Retained (loss) / profit for the period	(3,222,454)	108,374,512
(Decrease) / increase in shareholders' funds	(3,222,454)	108,374,512
Opening shareholders' funds	2,011,039,786	1,902,665,274
Closing shareholders' funds	2,007,817,332	2,011,039,786

11. FINANCIAL INSTRUMENTS

The Company was exposed to interest rate risk caused by a mis-match in the Company's assets, which generate a floating interest rate of return, and fixed rate liabilities. In order to hedge the cashflow mismatch, the Company entered into an interest rate swap with Barclays Bank PLC.

During the period 1 January to 3 January 2008, \$4,000,000,000 of the Company's borrowings, were fixed at a rate of 5.53%. The interest rate swap was par break. Under the interest rate swap, the fixed rate of interest that the Company received was fixed at 6.6%, and the Company paid 3 month USD LIBOR on a quarterly basis.

On 3 January 2008, the Company terminated the interest rate swap with Barclays Bank PLC.

12. RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	Period from 1 January 2008 to 3 January 2008 \$	Year Ended 31 December 2007 \$
Operating loss	(311)	(336,981)
Changes in operating assets and liabilities:		
Increase in debtors	-	(959)
Net cash outflow from operating activities	(311)	(337,940)

Pyrus Investments Limited
Period from 1 January to 3 January 2008
Notes to the financial statements

13. RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	Period from 1 January 2008 to 3 January 2008 \$	Year Ended 31 December 2007 \$
Interest received from fixed asset investments	-	58,362,669
Interest (paid)/received to/from group undertakings	(1,843,695)	265,197,620
Non-capital distributions to preference shareholders	(1,843,333)	(225,501,111)
	<u>(3,687,028)</u>	<u>98,059,178</u>

14. CAPITAL EXPENDITURE AND FINANCIAL INVESTMENTS

	Period from 1 January 2008 to 3 January 2008 \$	Year Ended 31 December 2007 \$
Proceeds on disposal of fixed asset investments	-	1,110,099,614
	<u>-</u>	<u>1,110,099,614</u>

15. MANAGEMENT OF LIQUID RESOURCES

	Period from 1 January 2008 to 3 January 2008 \$	Year Ended 31 December 2007 \$
Movement in loans to parent and group companies	2,900,000,000	(1,110,000,000)
Movement in short term deposits with parent and group undertakings	6,750,000	(26,000,000)
	<u>2,906,750,000</u>	<u>(1,136,000,000)</u>

Pyrus Investments Limited
Period from 1 January to 3 January 2008
Notes to the financial statements

16. FINANCING

	Period from 1 January 2008 to 3 January 2008 \$	Year Ended 31 December 2007 \$
Redemption of preference shares	2,902,236,600	-
	<u>2,902,236,600</u>	<u>-</u>

17. ANALYSIS OF NET FUNDS

	At 1 January \$	Cashflow \$	At 3 January \$
For the period 1 Jan to 3 Jan 2008			
Cash and balances at bank	518,342	826,061	1,344,403
Liquid resources	26,000,000	(6,750,000)	19,250,000
	<u>26,518,342</u>	<u>(5,923,939)</u>	<u>20,594,403</u>
	At 1 January \$	Cashflow \$	At 31 December \$
For the year ended 31 Dec 2007			
Cash and balances at bank	52,514,338	(51,995,996)	518,342
Liquid resources	-	26,000,000	26,000,000
	<u>52,514,338</u>	<u>(25,995,996)</u>	<u>26,518,342</u>

18. RELATED PARTY TRANSACTIONS

The Company has amounts owing from/(to) Barclays Bank PLC and its wholly owned subsidiaries, as disclosed in notes 7 and 8. Amounts received and paid in the year in respect of these amounts are disclosed in notes 3 and 4. The Company had accrued and paid preference share dividends owing to a related party, Hoardburst Limited, a wholly owned subsidiary of Barclays Bank PLC. Dividends payable in the year in respect of these preference shares are disclosed in note 4. The consolidated financial statements of Barclays Bank PLC are publicly available. There have been no other transactions with related parties requiring disclosure during the period 1 January to 3 January 2008 or the year ended 31 December 2007.

19. ULTIMATE HOLDING COMPANY

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