

HERALDGLEN LIMITED

**Report and Financial Statements
For the year ended 31 December 2011**

Registered Number in England and Wales - 3261374

THURSDAY



A14 *A185RCVU* #368
03/05/2012
COMPANIES HOUSE

Heraldglen Limited
(Company number: 3261374)

DIRECTORS REPORT
For the year ended 31 December 2011

The directors present their report together with the audited financial statements for the year ended 31 December 2011

Review of business and future outlook

The Company is a Corporate Member of Lloyd's. It ceased underwriting on 31 December 2000. All open underwriting years of account on which the Company participated were closed on 30 September 2003 by way of reinsurance to close contracts with a new Lloyd's Syndicate. 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 profit after tax of £nil (2010: £nil). The directors do not recommend a dividend (2010: £nil). The directors consider that the performance of the Company has been satisfactory during the year.

Post balance sheet events

All post balance sheet events are disclosed in Note 9.

Going concern

After considering the value of the Company's assets and making such further enquiries as they consider appropriate, the directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason they adopt the going concern basis in preparing the financial statements.

Derivatives and financial instruments

The Company's directors are required to follow 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 note 7). The Company is not exposed to any significant financial risks as its assets are held in the form of liquid cash deposits.

Directors

The directors of the Company who served during the year, together with their dates of appointment and resignation where appropriate, are as follows:

R Craine
B Hill (appointed 5 August 2011)
P Pankhania (resigned 12 September 2011)
P Shah
H Watson (appointed 12 September 2011)

Subsequent to the year end, T Morjaria was appointed as a director on 15 March 2012 and P Shah resigned as a director on 7 March 2012.



Heraldglen Limited

***(Company number: 3261374)**

DIRECTORS REPORT

For the year ended 31 December 2011 (continued)

Directors' third party indemnity provisions

Qualifying third-party indemnity provisions were in force during the course of the financial year ended 31st December 2011 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 prepared 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.

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

Heraldglen Limited
(Company number 3261374)

DIRECTORS REPORT
For the year ended 31 December 2011 (continued)

Auditors

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

BY ORDER OF THE BOARD



Director

Name *Richard Craike*

Date *29.04.2012*

For and on behalf of
Heraldglen Limited

Heraldglen Limited

(Company number: 3261374)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HERALDGLEN LIMITED

We have audited the financial statements of Heraldglen Limited for the year ended 31 December 2011 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 3 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 and Financial Statements 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 2011 and of its profit 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.

Heraldglen Limited
(Company number: 3261374)

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

Matters on which we are required to report by exception

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

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



Mark Randell (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
Date 30 APRIL 2012

Heraldglen Limited
(Company number: 3261374)
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 £	2010 £
Interest expense		-	-
Profit on ordinary activities before taxation		-	-
Taxation on profit on ordinary activities		-	-
Profit on ordinary activities after taxation		-	-

All recognised gains and losses are included in the profit and loss account. 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 1 to 8 form an integral part of these financial statements.

Heraldglen Limited
(Company number: 3261374)

BALANCE SHEET AS AT 31 DECEMBER 2011

	Notes	2011 £	2010 £
CURRENT ASSETS			
Cash at bank	4	81,625	81,625
		<u>81,625</u>	<u>81,625</u>
NET ASSETS		<u>81,625</u>	<u>81,625</u>
CAPITAL AND RESERVES			
Share capital	5	87,525,745	87,525,745
Share premium	6	6,687,279	6,687,279
Profit and loss	6	(94,131,399)	(94,131,399)
TOTAL SHAREHOLDERS FUNDS	6	<u>81,625</u>	<u>81,625</u>

A reconciliation of movement in shareholders' funds is given in note 6

The notes 1 to 8 form an integral part of these financial statements

The financial statements were approved by the Board of Directors and authorised for issue on 24th April 2012 and were signed on its behalf by


Director
Name *Richard Craine*
Date *24.04.2012*

Heraldglen Limited
(Company number. 3261374)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

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 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 considering the value of the Company's assets and making such further enquires as they consider appropriate, the directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason they adopt the going concern basis in preparing the financial statements

Interest

Interest expense is recognised on an accruals basis

Taxation

The tax expense for the period comprises current and deferred tax. Deferred income tax is provided on temporary differences arising on timing differences between the treatment of certain accounting items for taxation and accounting purposes

Cash flow statement

The Company's ultimate holding company, Barclays Bank PLC, prepares consolidated financial statements which are publically available. Accordingly the Company, which is a wholly owned subsidiary of Barclays Bank PLC, has elected to utilise the exemption provided in FRS 1 (revised 1996) not to produce a cash flow statement

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

There were no employees employed by the Company during 2011 or 2010. 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 £2,487 (2010: £3,100) for the year. This fee is not recognised as an expense in the financial statements

Heraldglen Limited
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011 (CONTINUED)

3. DIRECTORS EMOLUMENTS

No emoluments were paid to, or waived by, the directors for the years ended 31 December 2011 and 2010

4. CASH AT BANK

	2011 £	2010 £
Funds held in Lloyds	100	100
Cash at bank with group undertakings	81,525	81,525
	<u>81,625</u>	<u>81,625</u>

5. CALLED UP SHARE CAPITAL

	Number of shares	Authorised £	Allotted and fully paid £
Equity interests			
Ordinary shares of £1 each	222,781	222,781	222,683
3% cumulative First Preference shares of £1 each	3,000,000	3,000,000	2,303,062
3% cumulative Second Preference shares of £1 each	100,000,000	100,000,000	85,000,000
At 31 December 2011 and 2010	<u>103,222,781</u>	<u>103,222,781</u>	<u>87,525,745</u>

The First and Second Preference shares have been classified as equity as they represent a residual interest in the Company. They may be redeemed by the Company on not less than five business days' notice. Holders of the First Preference Shares are entitled in priority over the Second Preference and ordinary share holder, to a distribution of capital in the winding up of the Company. The holders of the preference shares are entitled to a cumulative, non-compounding fixed rate distribution of 3% on the allotted and called up preference share capital when the Board resolves to make a distribution out of available profits.

Heraldglen Limited
(Company number. 3261374)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011 (CONTINUED)

6. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Called up share capital account £	Share premium account £	Profit and loss account £	Total £
Balance as at 1 January 2011	87,525,745	6,687,279	(94,131,399)	81,625
Profit/loss for the year	-	-	-	-
Balance as at 31 December 2011	<u>87,525,745</u>	<u>6,687,279</u>	<u>(94,131,399)</u>	<u>81,625</u>
Balance as at 1 January 2010	87,525,745	6,687,279	(94,131,399)	81,625
Profit/loss for the year	-	-	-	-
Balance as at 31 December 2010	<u>87,525,745</u>	<u>6,687,279</u>	<u>(94,131,399)</u>	<u>81,625</u>

7. PARENT UNDERTAKING AND ULTIMATE PARENT COMPANY

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

8. 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 Bank PLC, the consolidated financial statements of which are publicly available. There have been no transactions with related parties requiring disclosure in either 2011 or 2010 other than those reported in the financial statements.

9. POST BALANCE SHEET EVENTS

On 8 February 2012, Crescendo Investments Holdings Limited transferred its holding of 85,000,000 Second Preference Shares each with a Par value of £1 in the Company to Capton Investment Limited for a cash consideration of £1.