

**Eagle Financial and Leasing Services (UK) Limited
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

REGISTRATION NUMBER in England and Wales 2522321

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Eagle Financial and Leasing Services (UK) Limited
Directors' Report and Financial Statements
For the year ended 31 December 2012

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Eagle Financial and Leasing Services (UK) Limited
Directors' Report
For the year ended 31 December 2012

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

Principal activities and business review

The principal activity of the Company is the assumption of financial obligations in respect of leasing and hiring agreements

Profit and Dividends

During the year the Company made a profit after taxation of £26,457 (2011 profit after taxation £33,007)

The Directors do not recommend the payment of a dividend (2011 Nil)

Future outlook

The Company participates in leasing and hiring structures and this is expected to remain unchanged in the foreseeable future

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Barclays PLC group and are not managed separately. Accordingly, the principal risks and uncertainties of Barclays PLC, which include those of the Company, are discussed under Funding Risk (Section relating to Risk Factors) in pages 66 to 95 of the Group's 2012 annual report which does not form part of this report. Please refer to note 13 for further details of the Company's exposure to financial risks

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 resignation, where appropriate, are as shown below

M Beniwal	
R Ferrari	(appointed 08/08/2012)
JL Pepper	(resigned 10/07/2012)
S Pongs	
PA Redman	

Going concern

After reviewing the Company's performance projections, the available banking facilities and taking into account the support available from Barclays Bank PLC, 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

Directors' third party indemnity provisions

Qualifying third-party indemnity provisions were in force during the course of the financial year ended 31 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 may occur (or have occurred) in connection with their duties, powers or office

Eagle Financial and Leasing Services (UK) Limited
Directors' Report
For the year ended 31 December 2012

Statement of Directors' responsibilities

The following statement, which should be read in conjunction with the Independent 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 financial statements

The Directors are required by the Companies Act 2006 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss for the financial year. The Directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as published by the International Accounting Standards Board. They are also in accordance with IFRSs as adopted by the European Union.

The Directors consider that in preparing the financial statements on pages 5 to 17

- the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments 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 2006.

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

Financial instruments

The Company follows the parent company's financial risk management objectives and policies including the policy for hedging the exposure to credit risk, liquidity risk, interest rate risk and foreign exchange risk. These are set out in pages 13-15.

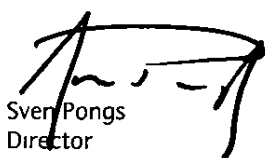
Independent auditors

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



Sven Pongs
Director

Date 12 June 2013

Company number 2522321

Eagle Financial and Leasing Services (UK) Limited
Independent Auditors' Report
For the year ended 31 December 2012

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EAGLE FINANCIAL AND LEASING SERVICES (UK) LIMITED

We have audited the financial statements of Eagle Financial and Leasing Services (UK) Limited for the year ended 31 December 2012 which comprises the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 opinion, 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 Directors' 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 audit 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 profit and cash flows for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, 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
- 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


Antony Eldridge (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
Date 12 June 2013

Eagle Financial and Leasing Services (UK) Limited
Statement of Comprehensive Income
For the year ended 31 December 2012

		2012	2011
	Note	£'000	£'000
Continuing operations			
Interest income	4	121,867	140,131
Interest expense	5	(121,842)	(140,106)
Net interest income		25	25
Fees and commissions	6	10	20
Profit before taxation	7	35	45
Taxation	8	(9)	(12)
Profit after taxation		26	33
Other comprehensive income		-	-
Total comprehensive income for the year		26	33

The accompanying notes from pages 9 to 17 form an integral part of the financial statements

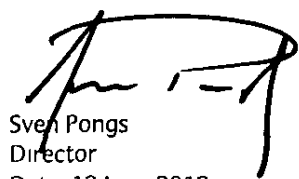
Eagle Financial and Leasing Services (UK) Limited
Balance Sheet
As at 31 December 2012

	Note	2012 £'000	2011 £'000
Assets			
Loans and other receivables	9	2,516,171	2,869,063
Cash and cash equivalents		122	97
Total assets		2,516,293	2,869,160
Liabilities			
Lease obligations and other payables	10	2,516,135	2,869,037
Current tax liabilities	11	24	15
Total liabilities		2,516,159	2,869,052
Shareholders' Equity			
Called up share capital	12	-	-
Retained earnings		134	108
Total shareholders' equity		134	108
Total liabilities and shareholders' equity		2,516,293	2,869,160

The accompanying notes from pages 9 to 17 form an integral part of the financial statements

The financial statements were approved by the board of Directors

They were signed on its behalf by



Sven Pongs
Director

Date 12 June 2013

Company number in England and Wales 2522321

Eagle Financial and Leasing Services (UK) Limited
Statement of Changes in Equity
For the year ended 31 December 2012

	Share ¹ capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2012	-	108	108
Total comprehensive income for the year	-	26	26
Balance at 31 December 2012	-	134	134

	Share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2011	-	75	75
Total comprehensive income for the year	-	33	33
Balance at 31 December 2011	-	108	108

The accompanying notes from pages 9 to 17 form an integral part of the financial statements

¹Share capital disclosure is presented in Note 12

Eagle Financial and Leasing Services (UK) Limited
Statement of Cash Flows
For the year ended 31 December 2012

	2012	2011
	£'000	£'000
Continuing Operations		
Reconciliation of profit before tax to net cash flows from operating activities		
Profit before tax	35	45
Net decrease in loan and other receivables	352,892	352,453
Net decrease in lease obligations and other payables	(352,902)	(352,463)
Cash from operating activities	25	35
Tax paid	0	(10)
Net cash from operating activities	25	25
Net increase in cash and cash equivalents	25	25
Cash and cash equivalents at beginning of the year	97	72
Cash and cash equivalents at end of the year	122	97

The accompanying notes from pages 9 to 17 form an integral part of the financial statements

Eagle Financial and Leasing Services (UK) Limited
Notes to the Financial Statements
For the year ended 31 December 2012

1 REPORTING ENTITY

These financial statements are prepared for Eagle Financial & Leasing Services (UK) Limited and are prepared for the Company only. The Company is a wholly owned subsidiary of Barclays Bank PLC and its ultimate parent Company is Barclays PLC, both of which prepare consolidated financial statements in accordance with International Financial Reporting Standards ('IFRS').

The Company is a private limited company, domiciled and incorporated in the United Kingdom. The registered address of the Company is 1 Churchill Place, London, E14 5HP, England.

2 COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

The financial statements have been prepared in accordance with IFRS adopted for use in the European Union, International Financial Reporting Interpretations Committee ('IFRIC') interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

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. They are presented in thousands of pounds sterling (£'000), the functional currency of the Company.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the accounting policies. The notes to the financial statements set out areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the financial statements.

(a) Foreign currency translation

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

(b) Interest

Interest is recognised in interest income and interest expense in the statement of comprehensive income for all interest bearing financial instruments classified as loans and receivables 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.

(c) Fees and commissions

Fees and commissions are recognised on an accrual basis when the service is provided.

3 ACCOUNTING POLICIES (continued)

(a) Current 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.

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.

(b) 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.

Loans and receivables

Loans and 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. Loans and receivables are initially recognised at fair value including direct and incremental transaction costs. They are subsequently valued at amortised cost, using effective interest method. They are derecognised when the rights to receive cash flows have expired or the Company has transferred substantially all the risks and rewards of ownership.

Regular way purchases and sales of loans and receivables are recognised on contractual settlement.

Financial liabilities

Financial liabilities are measured at amortised cost. Financial liabilities are derecognised when extinguished.

(c) Cash and cash equivalents

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

Eagle Financial and Leasing Services (UK) Limited
Notes to the Financial Statements
For the year ended 31 December 2012

4 INTEREST INCOME

	2012	2011
	£'000	£'000
Interest income from loans	121,867	140,131

5 INTEREST EXPENSE

	2012	2011
	£'000	£'000
Interest expense from defeasance lease obligations	121,842	140,106

6 FEES AND COMMISSIONS

Fees and commissions amount relates to participation fees received on defeasance leases

7 PROFIT BEFORE TAXATION

Auditors' remuneration for the year amounting to £ 9,560 (2011 £9,282) is borne by a fellow subsidiary of Barclays Bank PLC with no recharge to the Company

There were no employees employed by the Company during the year (2011 Nil)

The Directors did not receive any emoluments in respect of their services to the Company during the year (2011 Nil)

8 TAXATION

The analysis of the charge for the year is as follows

	2012	2011
	£'000	£'000
Current tax		
UK tax charge – Current year	9	12

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

	2012	2011
	£'000	£'000
Profit before taxation	35	45
Tax charge at standard UK Corporation tax rate of 24.5% (2011 26.5%)	9	12
Overall tax charge	9	12
Effective rate %	24.5%	26.5%

Eagle Financial and Leasing Services (UK) Limited
Notes to the Financial Statements
For the year ended 31 December 2012

9 LOAN AND OTHER RECEIVABLES

	2012 £'000	2011 £'000
Loans	2,358,165	2,674,897
Prepaid interest	134,956	164,850
Accrued interest	23,050	29,316
Total loan and other receivables	2,516,171	2,869,063

10 LEASE OBLIGATIONS AND OTHER PAYABLES

During the year, the Company did not enter into new defeasance contracts and two contracts have expired during the year (2011 The Company did not enter into new defeasance contracts and four contracts expired)

	2012 £'000	2011 £'000
Defeasance lease obligations	2,358,130	2,674,871
Prepaid interest on defeasance lease obligations	134,955	164,850
Accrued interest on defeasance lease obligations	23,050	29,316
Total lease obligations and other payables	2,516,135	2,869,037

11 CURRENT TAX LIABILITIES

Current tax liabilities were as follows

	2012 £'000	2011 £'000
UK corporation tax payable	24	15

12 SHARE CAPITAL

	2012 £	2011 £
Allotted and fully paid		
2 ordinary shares of £1 each	2	2

At the year end, the issued share capital of the Company is £2 (2011 £2), comprising of two ordinary shares of £1 each. All issued shares are fully paid.

Eagle Financial and Leasing Services (UK) Limited
Notes to the Financial Statements
For the year ended 31 December 2012

13 FINANCIAL RISKS

The Company's activities expose it to a variety of financial risks. These are credit risk, liquidity risk, foreign currency risk and interest rate risk.

The Company is required to follow the requirements of the Barclays Group risk management policies, which includes specific guidelines on the management of foreign exchange, interest rate and credit risks, and advice on the use of financial instruments to manage them.

The main financial risks that the Company is exposed to and its management policy with respect to those risks are as follows:

(a) Credit risk

Credit risk is the risk of suffering financial loss should any of the Company's customers, clients or market counterparties fail to fulfill their contractual obligations to the Company or when a counterparty's credit rating is downgraded, leading to a fall in the value of investments held by the Company.

The Company's maximum exposure to credit risk (not taking into account the value of any collateral or security held) relates to trade receivables at their carrying amounts as reported in the Balance Sheet.

Where loan receivables are due from external counterparties, Barclays Bank PLC has issued letters of credit or entered into similar arrangements to secure the loan. The right to receive / benefit from those arrangements has been assigned to the Company. Whilst the Company's maximum exposure to credit risk is the carrying value of the loan receivables, the actual exposure is significantly lower due to the above which mitigates the Company's exposure.

The remaining loan receivables are due from parent company (Barclays Bank PLC) and the credit rating of Barclays Bank PLC is investment grade.

Maximum exposure to credit risk

The following table shows the maximum exposure to credit risk as at 31 December 2012 and 2011:

	2012 £'000	2011 £'000
Loan and other receivables	2,516,171	2,869,063
Cash and cash equivalents	122	97
Total maximum exposure at 31 December	2,516,293	2,869,160

Eagle Financial and Leasing Services (UK) Limited
Notes to the Financial Statements
For the year ended 31 December 2012

13 FINANCIAL RISKS (continued)

(a) Credit risk (continued)

Credit risk concentrations by geographical sector

	2012			
	United Kingdom	Other EU	Americas	Total
	£'000	£'000	£'000	£'000
Loan and other receivables	2,085,965	382,289	47,917	2,516,171
Cash and cash equivalents	122	-	-	122
Total maximum exposure at 31 December	2,086,087	382,289	47,917	2,516,293

	2011			
	United Kingdom	Other EU	Americas	Total
	£'000	£'000	£'000	£'000
Loan and other receivables	2,407,890	406,804	54,369	2,869,063
Cash and cash equivalents	97	-	-	97
Total maximum exposure at 31 December	2,407,987	406,804	54,369	2,869,160

Credit Risk concentration by industrial sector

	2012			
	Financial Services	Business and Other Services	Transport	Total
	£'000	£'000	£'000	£'000
Loan and other receivables	2,016,105	96,585	403,481	2,516,171
Cash and cash equivalents	122	-	-	122
Total maximum exposure at 31 December	2,016,227	96,585	403,481	2,516,293

	2011			
	Financial Services	Business and Other Services	Transport	Total
	£'000	£'000	£'000	£'000
Loan and other receivables	1,315,922	1,132,634	420,507	2,869,063
Cash and cash equivalents	97	-	-	97
Total maximum exposure at 31 December	1,316,019	1,132,634	420,507	2,869,160

Eagle Financial and Leasing Services (UK) Limited
Notes to the Financial Statements
For the year ended 31 December 2012

13 FINANCIAL RISKS (continued)

(b) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its payment obligations when they fall due or to replace funds when they are withdrawn

The Company maintains a mixture of long term and short term committed facilities, including financial support from the parent, Barclays PLC, that are designed to ensure the Company has sufficient available funds for operations and planned expansion

The Company is not exposed to significant liquidity risk as the repayment terms, interest rates and maturity dates of each defeasance lease obligation is matched by the defeasance lease referenced loan

(c) Foreign exchange risk

Foreign exchange risk is the extent to which the Company's foreign currency assets are not matched by foreign exchange liabilities in the same currency

The Company is not exposed to foreign exchange risk as each defeasance lease obligation is matched with a corresponding defeasance lease referenced loan in the same currency

(d) 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 interest rate risk is managed by matching the interest rate of the assets and liabilities

The Company is not exposed to significant interest rate risk as the repayment terms, interest rates and maturity dates of each defeasance lease obligation is matched by the defeasance lease referenced loan

Eagle Financial and Leasing Services (UK) Limited
Notes to the Financial Statements
For the year ended 31 December 2012

14 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. Related parties comprise mainly of branches and subsidiaries of Barclays Bank PLC.

The following transactions took place between the Company and related parties at terms agreed between the parties.

	2012		
	Parent Company £'000	Fellow Subsidiary £'000	Total £'000
Statement of comprehensive income for the year ended 31 December 2012			
<u>Transactions</u>			
Interest income	54,482	-	54,482
Interest expense	(76,242)	(2,187)	(78,429)
Other income	10	-	10
Total	(21,750)	(2,187)	(23,937)
Balance sheet as at 31 December 2012			
<u>Assets</u>			
Loan and other receivables	903,986	-	903,986
Cash and cash equivalents	122	-	122
Total	904,108	-	904,108
<u>Liabilities</u>			
Lease obligations and other payables	1,178,485	254,459	1,432,944
Total	1,178,485	254,459	1,432,944
2011			
	Parent Company £'000	Fellow Subsidiary £'000	Total £'000
Statement of comprehensive income for the year ended 31 December 2011			
<u>Transactions</u>			
Interest income	72,554	-	72,554
Interest expense	(113,921)	(2,079)	(116,000)
Other income	10	-	10
Total	(41,357)	(2,079)	(43,436)
Balance sheet as at 31 December 2011			
<u>Assets</u>			
Loan and other receivables	1,180,478	-	1,180,478
Cash and cash equivalents	97	-	97
Total	1,180,575	-	1,180,575
<u>Liabilities</u>			
Lease obligations and other payables	2,337,384	255,148	2,592,532
Total	2,337,384	255,148	2,592,532

Eagle Financial and Leasing Services (UK) Limited
Notes to the Financial Statements
For the year ended 31 December 2012

15 CAPITAL MANAGEMENT

Barclays Group operates a centralised capital management model, considering both regulatory and economic capital. The capital management strategy is to continue to maximise shareholder value through optimising both the level and mix of capital resources. Decisions on the allocation of capital resources are conducted as part of the strategic planning review.

The Group's capital management objective relevant to the Company is to maintain an optimal capital structure in order to reduce the cost of capital and to maintain sufficient resources to support asset growth, as required.

The capital of the Company is the shareholders' equity as shown in the balance sheet. The Company is not subject to any externally imposed capital requirement.

16 PARENT UNDERTAKING AND ULTIMATE PARENT COMPANY

The parent of the Company is Barclays Bank PLC. 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. Both companies are incorporated in the United Kingdom and registered in England. Barclays PLC's statutory accounts are available from the Barclays Corporate Secretariat, 1 Churchill Place, London, E14 5HP, England.