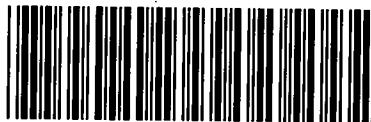


**BARCLAYS STOCKBROKERS LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

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**REGISTERED NUMBER: 1986161**

# BARCLAYS STOCKBROKERS LIMITED

## Directors' Report and Financial Statements For the year ended 31 December 2014

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# **BARCLAYS STOCKBROKERS LIMITED**

## **Directors' Report**

**For the year ended 31 December 2014**

The Directors present their annual report together with the audited financial statements of Barclays Stockbrokers Limited (the "Company") for the year ended 31 December 2014.

### **Profit and dividends**

During the year the Company made a profit after tax of £46,000 (2013 : loss £3,936,000). The Directors do not recommend the payment of a final dividend (2013 : £Nil).

### **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:

P H Burd  
D M Currie  
R Dickinson

### **Statement of Directors' responsibilities**

The following statement, which should be read in conjunction with the Auditors' report set out on pages 4 to 5, 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 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 23:

- 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 appropriately prepared on a basis other than going concern.

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.

### **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 "Financial Risks" on pages 20 - 21.

# **BARCLAYS STOCKBROKERS LIMITED**

**Directors' Report (continued)**  
**For the year ended 31 December 2014**

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

Qualifying third-party indemnity provisions were in force during the course of the financial year ended 31 December 2014 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.

## **Pillar 3 disclosures**

In accordance with the rules of the Financial Conduct Authority, the Company's Parent, Barclays Bank PLC has published information on its remuneration, risk management objectives and policies and on its regulatory capital requirements and resources. This information is available at <http://group.Barclays.com/Investor-Relations/Financial-results-and-publications/Annual-Reports>.

## **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



D M Currie  
**Director**  
23 April 2015

# BARCLAYS STOCKBROKERS LIMITED

## Strategic Report

For the year ended 31 December 2014

### Principal activities and business review

On 31 January 2014, Barclays Stockbrokers Limited (the "Company") transferred its principal stockbroking activities to Barclays Bank PLC and ceased to trade on its own account. As described in greater detail below, however, the Company continues to perform certain retained activities on behalf of other group undertakings. The Company remains authorised and regulated by the Financial Conduct Authority in connection with those activities.

### Business performance

The Company's results for the year show a profit before taxation of £255,000 (2013: loss £5,112,000) and total comprehensive income of £46,000 (2013: expense £3,936,000). The Company has net assets of £21,199,000 (2013: £21,153,000). Net cash used in operating activities was £15,868,000 (2013: £1,337,000).

### Future outlook

As noted above, the Company transferred its principal stockbroking activities to Barclays Bank PLC on 31 January 2014 for a cash consideration equal to the net book value of the transferring assets and liabilities.

Although the Company ceased to trade on its own account from that date, it has continued to perform the following retained activities on behalf of other group companies:

- a) its role as ISA Plan Manager to the Barclays Personal Investment Management ("BPIM") business of Barclays Bank Trust Company Limited; and
- b) its role in performing settlements as a participant in the CREST system for Barclays Bank PLC and its clients.

The former ceased on 31 January 2015 and plans are being developed to enable the latter to be discontinued as soon as possible. Once these plans are executed, it is the intention of the Directors to apply to the Financial Conduct Authority for permission to de-authorise the Company. It will then be placed in voluntary liquidation.

### 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 in the Barclays PLC annual report which does not form part of this report.

### Key performance indicators

The Directors of Barclays PLC 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 Personal and Corporate Banking, the relevant business cluster for the Company, is discussed in the Barclays PLC annual report which does not form part of this report.

BY ORDER OF THE BOARD



D M Currie

Director

23 April 2015

# **BARCLAYS STOCKBROKERS LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BARCLAYS STOCKBROKERS LIMITED**

### **Report on the financial statements**

---

#### **Our opinion**

In our opinion, Barclays Stockbrokers Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit 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.
- 

#### **Emphasis of matter – Going concern**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 3 to the financial statements concerning the basis of preparation. During the year the Company transferred its principal activity to the Barclays Bank PLC and ceased to trade. Accordingly, the going concern basis of accounting is no longer appropriate and the financial statements have been prepared on a basis other than going concern as described in note 3 to the financial statements. No adjustments have been made in these financial statements to reduce assets to their realisable values, to provide for liabilities arising from the decision or to reclassify fixed assets and long-term liabilities as current assets and liabilities.

---

#### **What we have audited**

Barclays Stockbrokers Limited's financial statements comprise:

- the Statement of Financial Position as at 31 December 2014;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Cash Flow 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 the preparation of the financial statements 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.

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#### **Opinion on other matters prescribed by the Companies Act 2006**

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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.

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#### **Other matters on which we are required to report by exception**

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##### **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.

# **BARCLAYS STOCKBROKERS LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BARCLAYS STOCKBROKERS LIMITED (continued)**

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### **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.

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### **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 International Standards on Auditing (UK and Ireland) ("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.

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#### **What an audit of financial statements involves**

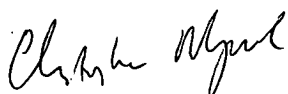
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in 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.



Christopher Meyrick (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Glasgow  
23 April 2015

# BARCLAYS STOCKBROKERS LIMITED

## Statement of Comprehensive Income For the year ended 31 December 2014

	Note	2014 £000	2013 £000
<b>Discontinued operations</b>			
Revenue	4	5,170	56,076
Direct expenses		<u>(420)</u>	<u>(4,915)</u>
<b>Gross profit</b>		4,750	51,161
Administrative expenses		<u>(5,167)</u>	<u>(64,549)</u>
<b>Operating loss</b>		(417)	(13,388)
Interest income	5	723	8,845
Interest expense	5	<u>(51)</u>	<u>(569)</u>
		672	8,276
<b>Profit/(loss) before taxation</b>	6	<u>255</u>	<u>(5,112)</u>
Taxation	8	<u>(209)</u>	<u>1,176</u>
<b>Profit/(loss) and total comprehensive income/(expense) for the year</b>		<u><u>46</u></u>	<u><u>(3,936)</u></u>

The accompanying notes on pages 10 to 23 form an integral part of these financial statements.

Profit after tax and total comprehensive income for the year was £46,000 (2013: loss and total comprehensive expense £3,936,000). There were no items of other comprehensive income.



# BARCLAYS STOCKBROKERS LIMITED

## Statement of Financial Position As at 31 December 2014

	Note	2014 £000	2013 £000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment in subsidiary undertaking	9	-	-
Deferred tax assets	10	-	163
<b>Total non-current assets</b>		-	163
<b>Current assets</b>			
Loans and other receivables	11	61	156,621
Current taxation	13	-	1,296
Cash and cash equivalents		21,537	14,415
<b>Total current assets</b>		21,598	172,332
<b>TOTAL ASSETS</b>		21,598	172,495
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	12	384	151,041
Current taxation	13	15	-
Provisions	14	-	301
<b>Total current liabilities</b>		399	151,342
<b>Net current assets</b>		21,199	20,990
<b>TOTAL LIABILITIES</b>		399	151,342
<b>SHAREHOLDER'S EQUITY</b>			
Share capital	15	3,000	3,000
Retained earnings	16	18,199	18,153
<b>TOTAL SHAREHOLDER'S EQUITY</b>		21,199	21,153
<b>TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES</b>		21,598	172,495

The accompanying notes on pages 10 to 23 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 23 April 2015 and were signed on its behalf by:



D M Currie  
Director  
23 April 2015

# BARCLAYS STOCKBROKERS LIMITED

## Statement of Changes In Equity For the year ended 31 December 2014

	Share capital £000	Retained earnings £000	Total equity £000
At 1 January 2014	3,000	18,153	21,153
Profit and total comprehensive income for the year	-	46	46
<b>At 31 December 2014</b>	<b>3,000</b>	<b>18,199</b>	<b>21,199</b>

	Share capital £000	Retained earnings £000	Total equity £000
At 1 January 2013	3,000	22,089	25,089
Loss and total comprehensive expense for the year	-	(3,936)	(3,936)
<b>At 31 December 2013</b>	<b>3,000</b>	<b>18,153</b>	<b>21,153</b>

The accompanying notes on pages 10 to 23 form an integral part of these financial statements.

# BARCLAYS STOCKBROKERS LIMITED

## Statement of Cash Flow For the year ended 31 December 2014

	2014 £000	2013 £000
<b>Discontinued operations</b>		
<b>Reconciliation of profit/(loss) before tax to net cash flows from operating activities</b>		
<b>Profit/(loss) before taxation</b>	255	(5,112)
Interest income	(723)	(8,845)
Interest expense	51	569
Net (increase) in loans and other receivables	(116,826)	(37,981)
Net increase in trade and other payables	108,689	48,208
Net (decrease)/increase in balances due to group undertakings	(8,429)	856
Other provisions for liabilities and charges	(150)	142
<b>Cash used in operating activities</b>	(17,133)	(2,163)
Tax credits received	1,265	826
<b>Net cash used in operating activities</b>	(15,868)	(1,337)
<b>Cash flows from financing activities</b>		
Transfer of trade to Barclays Bank PLC	22,086	-
<b>Net cash from financing activities</b>	22,086	-
<b>Cash flows from investing activities</b>		
Interest received	970	9,664
Interest paid	(66)	(559)
<b>Net cash from investing activities</b>	904	9,105
<b>Net increase in cash and cash equivalents</b>	7,122	7,768
Cash and cash equivalents at 1 January	14,415	6,647
<b>Cash and cash equivalents at 31 December</b>	21,537	14,415
<b>Cash and cash equivalents comprise:</b>		
Cash and balances with banks	21,537	14,415

The accompanying notes on pages 10 to 23 form an integral part of these financial statements.

# BARCLAYS STOCKBROKERS LIMITED

## Notes to the financial statements For the year ended 31 December 2014

### 1 Reporting entity

These financial statements are prepared for Barclays Stockbrokers Limited (the "Company") which, following the transfer of its principal stockbroking activities to Barclays Bank PLC on 31 January 2014, no longer actively trades on its own account. 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, 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 private limited company, domiciled and incorporated in the United Kingdom. The address of the registered office of the Company is 1 Churchill Place, London, 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). They are also in accordance with IFRS and IFRIC interpretations endorsed by the European Union. The principal accounting policies applied in the preparation of the consolidated and individual financial statements are set out below, and in the relevant notes to the financial statements. These policies have been consistently applied.

#### Changes to accounting policies

##### *New and amended standards*

The following standards and amendments are effective for the first time this financial year but have not had a material impact on the Company:

- IAS 32 Financial Instruments: Presentation
- IFRS 12 Disclosure of Interests in Other Entities
- IAS 28 Investments in Associates and Joint Ventures (2011)
- IFRS 10 Consolidated Financial Statements and amendments to IAS 27 Separate Financial Statements
- IFRS 11 Joint Arrangements
- Amendments to IAS 39 Financial Instruments: Recognition and Measurement
- Amendments to IAS 32 Financial Instruments: Presentation
- Amendments to IAS 36 Impairment of Assets.

##### *Future accounting developments*

In 2014, the IASB issued the following new standards:

- IFRS 9 Financial Instruments, which will replace IAS 39 Financial Instruments : Recognition and Measurement; and
- IFRS 15 Revenue from Contracts with Customers, which will replace IAS 18 Revenue and IAS 11 Construction Contracts.

# **BARCLAYS STOCKBROKERS LIMITED**

## **Notes to the financial statements (continued)** **For the year ended 31 December 2014**

### **2 Compliance with International Financial Reporting Standards (continued)**

Adoption is not effective until periods beginning on or after 1 January 2018 and 1 January 2017 respectively and neither standard has yet been endorsed by the European Union.

In addition, the IASB has indicated that it will issue new standards on leases and insurance contracts.

None of these developments is currently considered likely to have a significant impact on the Company.

### **3 Summary of significant accounting policies**

The principal accounting policies applied in the preparation of the financial statements are set out below. These accounting 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 thousands of Pounds Sterling, (£000), the currency of the country in which the Company is incorporated.

The preparation of financial statements in accordance with IFRSs 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 those areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the financial statements.

On 31 January 2014, the Company transferred its principal stockbroking activities to Barclays Bank PLC and ceased to trade on its own account. The consideration for this transaction was set equal to the net book value of the transferring assets and liabilities and, therefore, resulted in neither a gain nor a loss to the Company. In line with the above, and the intention of the Directors to place the Company in to voluntary liquidation in the near future, the financial statements have been prepared on a basis other than going concern. No costs in respect of the winding up of the Company have been accrued as they will be borne by Barclays Bank PLC and no other changes have been necessary to the carrying value of assets and liabilities to adjust them to recoverable value.

#### **a) Foreign currency translation**

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

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

Non-monetary assets that are measured at fair value are translated using the exchange rate at the date that the fair value was determined. Exchange differences on equities and similar non-monetary items held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on equities classified as available for sale financial assets and non-monetary items are included directly in equity.

#### **b) Fees and commissions**

Fees and commissions are recognised when the service is provided.

# BARCLAYS STOCKBROKERS LIMITED

## Notes to the financial statements (continued) For the year ended 31 December 2014

### 3 Summary of significant accounting policies (continued)

#### c) Interest

Interest income or expense is recognised on all interest bearing financial assets classified as held to maturity, available for sale or 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.

#### d) 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 timing differences arising from the differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates and legislation enacted or substantively enacted by the Statement of Financial Position 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 probable that sufficient taxable profits 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.

#### e) Financial assets and liabilities

The Company recognises financial instruments from the contract/trade 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 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. They are included in current assets, except for maturities greater than 12 months after the Statement of Financial Position date. Loans and receivables are stated at amortised cost using the effective interest method. They are initially recognised at fair value including direct and incremental transaction costs. They are subsequently valued at amortised cost, using the 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.

# BARCLAYS STOCKBROKERS LIMITED

## Notes to the financial statements (continued) For the year ended 31 December 2014

### 3 Summary of significant accounting policies (continued)

#### e) Financial assets and liabilities (continued)

##### *Financial liabilities*

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

##### *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 bid value 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.

##### *Impairment of financial assets*

The Company assesses at each Statement of Financial Position date whether there is objective evidence that loans and receivables are impaired. The factors that the Company uses include significant financial difficulties 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 a 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.

The Company also considers observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, arising from adverse changes in the payment status of borrowers in the portfolio and national or local economic conditions that correlate with defaults on assets in the portfolio.

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 statement of comprehensive income. 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 statement of comprehensive income. Reversals of impairment of equity shares are not recognised in the statement of comprehensive income, 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 Statement of Financial Position 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.

# **BARCLAYS STOCKBROKERS LIMITED**

## **Notes to the financial statements (continued) For the year ended 31 December 2014**

### **3 Summary of significant accounting policies (continued)**

#### **f) Investments in subsidiaries**

Investments in subsidiaries are stated at cost less impairment, if any.

#### **g) Issued equity securities**

Equity instruments, including share capital, are initially recognised at net proceeds, after deducting transaction costs and any related income tax. Dividend and other payments to equity holders are deducted from equity, net of any related tax.

#### **h) Dividends on ordinary shares**

Dividends on ordinary shares are recognised in equity in the period in which they are paid or, if earlier, approved by the Company's shareholders.

#### **i) Provisions**

Provisions are recognised for present obligations arising as consequences of past events where it is more likely than not that a transfer of economic benefit will be necessary to settle the obligation, and it can be reliably estimated.

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is uncertain or cannot be reliably measured. Contingent liabilities are not recognised but are disclosed unless they are remote.

#### **j) Cash and cash equivalents**

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

#### **k) Balances with market counterparties and clients**

In accordance with market practice certain balances with clients, Stock Exchange member firms and settlement offices are included in trade and other receivables and payables gross for their unsettled bought and sold transactions respectively.

#### **l) Segregated funds**

Segregated funds held by the Company on behalf of clients in accordance with the Client Money Rules of the Financial Conduct Authority, and the income arising thereon, are excluded from the financial statements as they are not assets of the Company.



# BARCLAYS STOCKBROKERS LIMITED

## Notes to the financial statements (continued) For the year ended 31 December 2014

### 4 Revenue

All of the Company's revenue is derived from the provision of stockbroking services.

### 5 Interest income and interest expense

Net interest income comprises the following:

	2014 £000	2013 £000
<b>Interest income</b>		
Interest receivable from related parties	375	4,266
Other bank interest	348	4,579
<b>Total interest income</b>	<u>723</u>	<u>8,845</u>
<b>Interest expense</b>		
Interest payable on client deposits	(51)	(569)
<b>Total interest expense</b>	<u>(51)</u>	<u>(569)</u>
<b>Net interest income</b>	<u>672</u>	<u>8,276</u>

### 6 Profit/(loss) before taxation

The following items have been charged in arriving at the profit/(loss) before taxation:

	2014 £000	2013 £000
Management service charges	4,373	54,967
Provision for client compensation (note 14)	8	538
Auditors' remuneration		
- Audit of the Company's annual financial statements	100	125
- Other services pursuant to legislation	140	68

### 7 Employees and key management, including Directors

The Company had no direct employees during 2014 or 2013. All staff employed in the business were contracted to Barclays Bank PLC and their costs recharged to the Company. The total staff cost recharge for 2014 was £334,000 (2013: £5,511,000). The Directors are considered to be the key management personnel.

# BARCLAYS STOCKBROKERS LIMITED

## Notes to the financial statements (continued) For the year ended 31 December 2014

### 7 Employees and key management, including Directors (continued)

#### Directors' remuneration

Disclosures of Directors' remuneration as required by the Companies Act 2006 are as follows:

	2014 £000	2013 £000
Aggregate remuneration in respect of qualifying services	-	64
Aggregate amounts receivable under long term incentive schemes	-	10
Aggregate contributions due to Barclays Group pension schemes	-	9
	<u>-</u>	<u>83</u>

One Director is accruing retirement benefits under a defined benefit scheme and a defined contribution scheme (2013: One).

No Director exercised options under the Barclays PLC Sharesave Scheme and Long Term Incentive Schemes during 2014 (2013: Nil).

One Director is entitled to benefits under the Share Value Plan (2013: One).

### 8 Taxation

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

	2014 £000	2013 £000
<b>Current tax:</b>		
Current year	46	(1,242)
<b>Deferred tax:</b>		
Current year	163	66
<b>Total charge/(credit)</b>	<u>209</u>	<u>(1,176)</u>

The charge for tax is based upon a blended UK corporation tax rate of 21.5% for the calendar year 2014 (2013: 23.25%).

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

	2014 £000	2013 £000
Profit/(loss) before taxation	<u>255</u>	<u>(5,112)</u>
Tax charge/(credit) at blended UK corporation tax rate of 21.5% (2013: 23.25%)	55	(1,188)
Other	154	(12)
Change to standard UK corporation tax rate	-	24
Overall tax charge/(credit)	<u>209</u>	<u>(1,176)</u>
Effective tax rate %	<u>81.96%</u>	<u>23.00%</u>

# BARCLAYS STOCKBROKERS LIMITED

## Notes to the financial statements (continued)

For the year ended 31 December 2014

### 9 Investment in subsidiary undertaking

Movement in the Company's investment in subsidiary undertaking are as follows:

	2014	2013
	£	£
At 1 January and 31 December	2	2

Details of the Company's subsidiary as at 31 December 2014 were as follows:

Country of registration or incorporation	Company name	Nature of business	Percentage of equity capital held	Aggregate capital and reserves	Profit or loss for the financial year
United Kingdom	Barclayshare Nominees Limited	Nominee	100%	£2	£nil

In the opinion of the Directors, the value of the Company's investment in its subsidiary undertaking is not less than the amount at which it is included in the Statement of Financial Position.

The financial statements contain information about Barclays Stockbrokers Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company has taken advantage of the exemption under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included in full consolidation in the consolidated financial statements of its parent Barclays PLC, a company incorporated in the United Kingdom.

### 10 Deferred tax assets

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

	1 January 2014	Charged to statement of comprehensive income	31 December 2014
	£000	£000	£000
<b>Assets</b>			
Accelerated tax depreciation	163	(163)	-
	1 January 2013	Charged to statement of comprehensive income	31 December 2013
	£000	£000	£000
<b>Assets</b>			
Accelerated tax depreciation	229	(66)	163

# BARCLAYS STOCKBROKERS LIMITED

## Notes to the financial statements (continued) For the year ended 31 December 2014

### 10 Deferred tax assets (continued)

Deferred taxes are provided in full on temporary differences using the liability method and a principal tax rate of 20% (2013: 20%).

### 11 Loans and other receivables

An analysis of loans and other receivables is as follows:

	2014 £000	2013 £000
Other receivables	50	11,147
Less allowance for impairment	-	(969)
<b>Other receivables - net</b>	<b>50</b>	<b>10,178</b>
Due from market	-	72,373
Due from customers	-	69,370
Due from related parties	11	83
Accrued income and prepayments	-	4,617
	<b>61</b>	<b>156,621</b>

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

The specific risks to which the Company is exposed in relation to these balances are discussed further in Note 18: Financial risks.

### 12 Trade and other payables

An analysis of trade and other payables is as follows:

	2014 £000	2013 £000
Due to market	-	81,364
Due to customers	-	57,714
Due to related parties	167	8,668
Other payables	-	941
Accrued expenses	217	2,354
	<b>384</b>	<b>151,041</b>

The Directors consider that the carrying value of the Company's trade and other payables approximates to their fair value.

The specific risks to which the Company is exposed in relation to these balances are discussed further in Note 18: Financial risks.

# BARCLAYS STOCKBROKERS LIMITED

## Notes to the financial statements (continued) For the year ended 31 December 2014

### 13 Current taxation

Current tax liabilities/(assets) are as follows:

	2014 £000	2013 £000
UK corporation tax payable/(receivable)	15	(1,296)

### 14 Provisions

Movements on the Company's provisions for client compensation in the year are as follows:

	2014 £000	2013 £000
At 1 January	301	159
Cash paid	(143)	(396)
Amounts charged to statement of comprehensive income	(8)	538
Balance transferred to Barclays Bank PLC	(150)	-
<b>At 31 December</b>	<b>-</b>	<b>301</b>

### 15 Share capital

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

	Number of shares	Ordinary shares £000	Total £000
At 1 January and 31 December 2013 and 2014	3,000,000	3,000	3,000

The par value of the ordinary shares is £1 each. All issued shares are fully paid.

The ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights but do not confer any rights of redemption.

### 16 Retained earnings

Movements in retained earnings are as follows:

	2014 £000	2013 £000
At 1 January	18,153	22,089
Total comprehensive income/(expense) for the year	46	(3,936)
<b>At 31 December</b>	<b>18,199</b>	<b>18,153</b>

# BARCLAYS STOCKBROKERS LIMITED

## Notes to the financial statements (continued) For the year ended 31 December 2014

### 17 Segregated funds

Following the transfer of its principal stockbroking activities to Barclays Bank PLC on 31 January 2014, the Company ceased to hold segregated funds on behalf of clients in accordance with the Client Money Rules of the Financial Conduct Authority (31 December 2013 : £912 million). These amounts, and the income arising thereon, are not assets of the Company and were, therefore, previously excluded from the financial statements.

### 18 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).

The Board of Directors has ultimate responsibility for ensuring effective risk management and control (including mandatory adherence to the Barclays PLC Group risk management policies). In exercising this responsibility on a day to day basis, it relies on the independent oversight provided by the Personal and Corporate Banking, the relevant business cluster for the Company, risk function.

#### (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.

#### Maximum exposure to credit risk

The following table shows the maximum exposure to credit risk at 31 December 2014 and 2013:

	2014 £000	2013 £000
Cash and cash equivalents	21,537	14,415
Due from market and clients	-	141,743
Due from related parties	11	83
Other receivables	50	10,178
Accrued income and prepayments	-	4,617
	<u>21,598</u>	<u>171,036</u>

All of the above balances are shown at their full Statement of Financial Position value, with no account being taken of credit risk mitigation actions available to the Company in the event of any default.

#### (b) Liquidity risk

This is the risk that the Company may not have sufficient funds to meet its debts as they fall due.

The Company has support from the parent company, Barclays Bank PLC, and maintains banking facilities with Barclays Bank PLC and other Group undertakings that are designed to ensure the Company has sufficient available funds for operations.

All of the Company's financial assets and liabilities at 31 December 2014 and 2013 were effectively due on demand.

# BARCLAYS STOCKBROKERS LIMITED

## Notes to the financial statements (continued) For the year ended 31 December 2014

### 18 Financial risks (continued)

#### (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, foreign exchange rates and equity prices.

Following the transfer of the Company's principal stockbroking activities to Barclays Bank PLC on 31 January 2014, it is not considered to have any material exposure to market risk.

### 19 Contingencies and commitments

As a Financial Conduct Authority regulated firm, the Company is potentially liable to make back-dated contributions to the Financial Services Compensation Scheme (FSCS). The contingent liabilities arising from the Scheme cannot be quantified.

### 20 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 other party in making financial or operation decisions, or one other party controls both.

The definition of related parties includes parent company, ultimate parent company, subsidiary, associated and joint venture companies, as well as the Company's key management which includes its Directors. Particulars of transactions with group companies, and the balances outstanding at the year end, are disclosed in the tables below:

#### For the year ended 31 December 2014

	Parent company £000	Fellow subsidiaries £000	Total £000
<b>Transactions</b>			
Interest income	362	13	375
Direct expenses	-	(35)	(35)
Administrative expenses	(4,373)	-	(4,373)
<b>Total</b>	<u>(4,011)</u>	<u>(22)</u>	<u>(4,033)</u>

#### Balances outstanding at 31 December 2014

Assets	21,537	11	21,548
Liabilities	<u>(19)</u>	<u>(148)</u>	<u>(167)</u>
	<u>21,518</u>	<u>(137)</u>	<u>21,381</u>

# BARCLAYS STOCKBROKERS LIMITED

## Notes to the financial statements (continued) For the year ended 31 December 2014

### 20 Related party transactions (continued)

For the year ended 31 December 2013

	Parent company £000	Fellow subsidiaries £000	Total £000
<b>Transactions</b>			
Interest income	4,086	180	4,266
Direct expenses	-	(413)	(413)
Administrative expenses	(54,967)	-	(54,967)
<b>Total</b>	<b>(50,881)</b>	<b>(233)</b>	<b>(51,114)</b>
<b>Balances outstanding at 31 December 2013</b>			
Assets	(4,933)	19,431	14,498
Liabilities	-	(8,668)	(8,668)
	<b>(4,933)</b>	<b>10,763</b>	<b>5,830</b>

There were no transactions with key management personnel in either year.

### 21 Post balance sheet events

On 31 January 2015, the Company transferred its retained role as ISA Plan Manager to the Barclays Personal Investment Management ("BPIM") business of Barclays Bank Trust Company Limited to Barclays Bank PLC for a £1 consideration.

### 22 Capital management

The Company's objectives when managing capital are:

- To safeguard the Company's ability to continue as a going concern
- To generate sufficient capital to support asset growth
- To maintain a level of capital required to meet Financial Conduct Authority requirements

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 Statement of Financial Position. This is in line with the disclosures provided in the regulatory reporting returns submitted by the Company to the Financial Conduct Authority.

Total capital is as follows:

	2014 £000	2013 £000
Share capital	3,000	3,000
Retained earnings	18,199	18,153
<b>Total capital resources</b>	<b>21,199</b>	<b>21,153</b>

The Company's capital is independently monitored by the Personal and Corporate Banking Treasurer on behalf of the Directors.



# **BARCLAYS STOCKBROKERS LIMITED**

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2014**

## **23 Parent undertaking and ultimate holding company**

The immediate parent undertaking is Barclays Group Holdings Limited. 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's and Barclays PLC's statutory financial statements are available from the Barclays Corporate Secretariat, 1 Churchill Place, London, E14 5HP.