

BARCLAYS FIDUCIARY SERVICES (UK) LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**



REGISTERED NUMBER: 02362041

BARCLAYS FIDUCIARY SERVICES (UK) LIMITED

Directors' Report and Financial Statements For the year ended 31 December 2016

INDEX

	Page
Directors' Report.....	1
Strategic Report.....	3
Independent Auditors' Report.....	4
Statement of Comprehensive Income.....	7
Statement of Financial Position.....	8
Statement of Changes in Equity.....	9
Statement of Cash Flows.....	10
Notes to the Financial Statements.....	11

BARCLAYS FIDUCIARY SERVICES (UK) LIMITED

Directors' Report

For the year ended 31 December 2016

The Directors present their annual report together with the audited financial statements of Barclays Fiduciary Services (UK) Limited (the 'Company') for the year ended 31 December 2016.

Profit and dividends

The Company's profit for the year was £254,000 (2015: £256,000). The Directors do not recommend the payment of a final dividend (2015: £Nil). Subsequent to the year end an interim dividend of £1,683,604, was paid in March 2017. This is included in Note 16 Events after the balance sheet date.

Future outlook

The future outlook is included within the Strategic Report on page 3.

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:

G S Collins	
D M Currie	(resigned 15 February 2016)
A R Morris	(appointed 1 June 2016)
M C Parry	(appointed 1 June 2016)
A C Ward	

Statement of Directors' responsibilities

The following statement, which should be read in conjunction with the Auditors' report set out on pages 4 to 6, 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 (IFRSs) as adopted by the European Union, 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 7 to 19:

- the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates;
- 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 risk management

The Company's activities are exposed to a variety of financial risks. The Company is required to follow the requirements of the Group risk management policies, which include 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 are outlined in Note 14.

BARCLAYS FIDUCIARY SERVICES (UK) LIMITED

Directors' Report (continued)

For the year ended 31 December 2016

Directors' third party indemnity provisions

Qualifying third-party indemnity provisions were in force (as defined by section 234 of the Companies Act 2006) during the course of the financial year ended 31 December 2016 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.

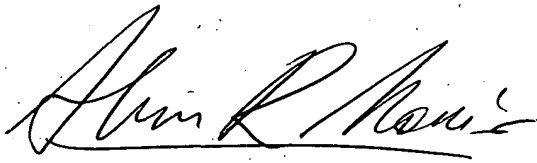
Independent auditors

PricewaterhouseCoopers LLP has held office in accordance with Section 487 of the Companies Act 2006 for the 2016 financial year. As noted in the Strategic Report on page 3, an agreement has been reached to sell the Company on 31 March 2017. The appointment of auditors to the Company for the 2017 financial year will be confirmed by the purchaser and completed after the approval of these financial statements.

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.

FOR AND ON BEHALF OF THE BOARD



Director

29 March 2017

Name: Alistair Morris

BARCLAYS FIDUCIARY SERVICES (UK) LIMITED

Strategic Report

For the year ended 31 December 2016

Business review and principal activities

The principal activity of Barclays Fiduciary Services (UK) Limited (the 'Company') is the provision of trustee services.

Business performance

The results of the Company for the year show a profit before taxation of £301,000 (2015: £288,000) and total comprehensive income of £254,000 (2015: £256,000). The Company has net assets of £1,849,000 (2015: £1,595,000). Net cash inflow from operating activities was £ Nil (2015: £ Nil).

Future outlook

The Company is heavily dependent on a single client, the National Fund, for its revenue and profits. The future of this charitable trust has been under discussion with the Attorney General and, although the Company is unable to influence the precise timing of any action, it is anticipated that an order from the High Court will be obtained for it to be wound up and distributed to the Treasury within the next twelve months. On that basis, the Directors have considered the future of the Company itself. The intention is to sell the Company on 31 March 2017. Therefore, the current directors have prepared these accounts on a basis other than going concern to reflect the current uncertainty surrounding the future of the Company.

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 Barclays (UK), the relevant cluster for the Company, is discussed in the Barclays PLC annual report which does not form part of this report.

FOR AND ON BEHALF OF THE BOARD



Director

29 March 2017

Name: Alistair Morris

BARCLAYS FIDUCIARY SERVICES (UK) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BARCLAYS FIDUCIARY SERVICES (UK) LIMITED

Report on the financial statements

Our opinion

In our opinion, Barclays Fiduciary Services (UK) 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 2016 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

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 3 to the financial statements concerning the basis of preparation. Barclays Fiduciary Services (UK) Limited is heavily reliant on income from a single client, the National Fund. The National Fund has prepared its accounts on a basis other than going concern as it has been anticipated that it will be wound up in the near future. Accordingly, the going concern basis of preparation 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 were necessary 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

The financial statements, included within the Directors' Report and Financial Statements (the "Annual Report"), comprise:

- Statement of Financial Position as at 31 December 2016;
- Statement of Comprehensive Income for the year then ended;
- Statement of Cash Flow for the year then ended;
- 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 IFRSs as adopted by the European Union, and applicable law.

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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements

In addition, in light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

BARCLAYS FIDUCIARY SERVICES (UK) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BARCLAYS FIDUCIARY SERVICES (UK) LIMITED (continued)

Other matters on which we are required to report by exception

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.

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.

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 (APB's) Ethical Standards for Auditors, including "APB Ethical Standard - Provisions Available for Small Entities (Revised)" in the circumstances set out in note to the financial statements.

This report, including the opinions, has been prepared for and only for the parent 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.

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.

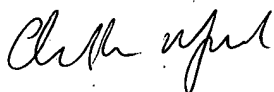
We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

BARCLAYS FIDUCIARY SERVICES (UK) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BARCLAYS FIDUCIARY SERVICES (UK) LIMITED (continued)

What an audit of financial statements involves (continued)

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. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



Christopher Meyrick (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Glasgow
29 March 2017

BARCLAYS FIDUCIARY SERVICES (UK) LIMITED

Statement of Comprehensive Income For the year ended 31 December 2016

	Note	2016 £'000	2015 £'000
Continuing operations			
Revenue	4	301	288
Gross profit		<u>301</u>	<u>288</u>
Profit before taxation	5	<u>301</u>	<u>288</u>
Taxation	7	<u>(47)</u>	<u>(32)</u>
Profit for the year		<u><u>254</u></u>	<u><u>256</u></u>

The accompanying notes on pages 11 to 19 form an integral part of these financial statements.

Profit for the year was £254,000 (2015: £256,000). There were no items of other comprehensive income.

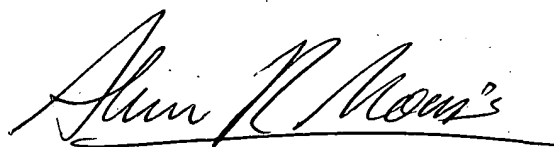
BARCLAYS FIDUCIARY SERVICES (UK) LIMITED

Statement of Financial Position As at 31 December 2016

	Note	2016 £'000	2015 £'000
ASSETS			
Current Assets			
Loans and other receivables	8	1,910	1,593
Current taxation	9	-	16
TOTAL ASSETS		1,910	1,609
LIABILITIES			
Current liabilities			
Other payables	10	30	14
Current taxation	9	31	-
Total current liabilities		61	14
Net current assets		1,849	1,595
TOTAL LIABILITIES		61	14
SHAREHOLDERS' EQUITY			
Share capital	11	100	100
Retained earnings	12	1,749	1,495
TOTAL SHAREHOLDERS' EQUITY		1,849	1,595
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,910	1,609

The accompanying notes on pages 11 to 19 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 29 March 2017 and were signed on its behalf by:



Director

29 March 2017

Name: Alistair Morris

BARCLAYS FIDUCIARY SERVICES (UK) LIMITED

Statement of Changes in Equity For the year ended 31 December 2016

	Share capital £'000	Retained earnings £'000	Total equity £'000
At 1 January 2016	100	1,495	1,595
Profit and total comprehensive income for the year	-	254	254
At 31 December 2016	100	1,749	1,849

	Share capital £'000	Retained earnings £'000	Total equity £'000
At 1 January 2015	100	1,239	1,339
Profit and total comprehensive income for the year	-	256	256
At 31 December 2015	100	1,495	1,595

The accompanying notes on pages 11 to 19 form an integral part of these financial statements.

BARCLAYS FIDUCIARY SERVICES (UK) LIMITED

Statement of Cash Flows For the year ended 31 December 2016

	2016 £'000	2015 £'000
Continuing operations		
Reconciliation of profit before tax to net cash flows from operating activities		
Profit before taxation	301	288
Net increase in loans and other receivables	(7)	(3)
Net increase in other payables	16	-
Net increase in balances due from group undertakings	(310)	(227)
Cash inflow from operating activities	-	58
Tax paid	-	(58)
Net cash from operating activities	-	-
Net movement in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of year	-	-
Cash and cash equivalents at end of year	-	-
Cash and cash equivalents comprise:		
Cash and balances with banks	-	-

The accompanying notes on pages 11 to 19 form an integral part of these financial statements.

BARCLAYS FIDUCIARY SERVICES (UK) LIMITED

Notes to the Financial Statements For the year ended 31 December 2016

1 Reporting entity

These financial statements are prepared for Barclays Fiduciary Services (UK) Limited (the 'Company'), the principal activity of which is the provision of trustee services. The financial statements are prepared for the Company only, in line with the UK Companies Act 2006. 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 (IFRSs) as adopted by the European Union.

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) and adopted by the European Union. The principal accounting policies applied in the preparation of the financial statements are set out below, and in the relevant notes to the financial statements. These policies have been consistently applied.

Future accounting developments

New and amended standards adopted by the Company

The accounting policies adopted are consistent with those of the previous financial year, except where new standards and amendments to IFRSs effective as of 1 January 2016 have resulted in changes in accounting policy. There are no new or amended standards that have had a material impact on the Company's accounting policies.

Standards and amendments to existing standards that are relevant to the Company, not yet effective and have not been early adopted by the Company

There are a number of changes that may be relevant to the Company's financial reporting after 2016 as a result of amended or new accounting standards that have been or will be issued by the IASB. However, as the Company is winding up, we don't anticipate there being future periods. The most significant of these are as follows:

IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted, subject to EU endorsement.

The impact of IFRS 15 is being assessed by management. Implementation of IFRS 15 requires a thorough review of existing contractual arrangements.

IFRS 16, 'Leases' addresses the definition of a lease, recognition and measurement of leases and establishes principles for reporting useful information to users of financial statements about the leasing activities of both lessees and lessors. A key change arising from IFRS 16 is that most operating leases will be accounted for on balance sheet for lessees. The standard replaces IAS 17 'Leases', and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2019 and earlier application is permitted, subject to EU endorsement and the entity adopting IFRS 15 'Revenue from contracts with customers' at the same time. The full impact of IFRS 16 is being assessed by management.

BARCLAYS FIDUCIARY SERVICES (UK) LIMITED

Notes to the Financial Statements (continued)
For the year ended 31 December 2016

2 Compliance with International Financial Reporting Standards (continued)

Future accounting developments (continued)

Standards and amendments to existing standards that are relevant to the Company, not yet effective and have not been early adopted by the Company (continued)

IFRS 9, 'Financial Instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities as well as impairment and hedge accounting. The Standard replaces IAS 39 and related interpretations. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI and fair value through P&L together with a single, forward looking 'expected loss' impairment model and a reformed approach to hedge accounting. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted, subject to EU endorsement.

The full impact of IFRS 9 on the Company is being assessed by management.

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 The Companies Act 2006 as applicable to companies using 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 those areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the financial statements.

The Company is heavily reliant on income from the National Fund which has prepared its financial statements on a basis other than going concern as it is anticipated that the National Fund will be wound up within twelve months. Accordingly, the going concern basis of preparation is no longer appropriate and the financial statements of the Company have been prepared on a basis other than going concern. No adjustments were necessary 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. As the Company remains profitable any costs in respect of a future wind up will be covered by these profits and therefore no provision is considered necessary in the financial statements.

Critical accounting estimates and judgements

There are no areas of critical accounting estimates or judgements in the accounts.

a) Fees and commissions

Fees and commissions are recognised when the service is provided.

b) 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.

BARCLAYS FIDUCIARY SERVICES (UK) LIMITED

Notes to the Financial Statements (continued) For the year ended 31 December 2016

3 Summary of significant accounting policies (continued)

b) Current and deferred income tax (continued)

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.

c) 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.

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.

BARCLAYS FIDUCIARY SERVICES (UK) LIMITED

Notes to the Financial Statements (continued) For the year ended 31 December 2016

3 Summary of significant accounting policies (continued)

c) Financial assets and liabilities (continued)

Impairment of financial assets (continued)

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.

d) 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.

e) 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.

f) Cash and cash equivalents

For the purposes of the statement of cash flow, 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.

4 Revenue

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

5 Profit before taxation

The 2016 and 2015 audit fees have been disclosed in the financial statements of Barclays Trust Company Limited (previously Barclays Bank Trust Company Limited), the fellow group undertaking to which they were billed.

BARCLAYS FIDUCIARY SERVICES (UK) LIMITED

Notes to the Financial Statements (continued) For the year ended 31 December 2016

6 Employees and key management, including Directors

The Company had no direct employees during 2016 or 2015. All staff employed in the business were contracted to Barclays Bank PLC, which did not recharge for their services. The Directors are considered to be the key management personnel.

Directors' remuneration

The Directors did not receive any emoluments in respect of their services to the Company during the year (2015: £nil).

No Director is accruing benefits under a defined contribution pension scheme operated by other Barclays Group Companies (2015: nil).

2 Directors exercised options under the Barclays PLC Sharesave Scheme and Long Term Incentive Schemes during 2016 (2015: nil).

No Director is entitled to benefits under the Share Value Plan (2015: Nil).

7 Taxation

The analysis of the charge for the year is as follows:

	2016 £'000	2015 £'000
Current tax:		
Current year	47	32
Total Charge	<u>47</u>	<u>32</u>

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

	2016 £'000	2015 £'000
Profit before taxation	301	288
Tax charge at standard UK corporation tax rates of 20% (2015: 20.25%)	60	58
Transfer pricing adjustment	(13)	(26)
Overall tax charge	<u>47</u>	<u>32</u>
Effective tax rate %	<u>15.61%</u>	<u>11.11%</u>

8 Loans and other receivables

An analysis of loans and other receivables is as follows:

	2016 £'000	2015 £'000
Amounts due from related parties	1,832	1,522
Accrued income	78	71
	<u>1,910</u>	<u>1,593</u>

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 14: Financial risks.

BARCLAYS FIDUCIARY SERVICES (UK) LIMITED

Notes to the Financial Statements (continued) For the year ended 31 December 2016

9 Current Taxation

Current tax liabilities / (assets) are as follows:

	2016 £'000	2015 £'000
United Kingdom corporation tax payable / (receivable)	<u>31</u>	<u>(16)</u>

10 Other payables

An analysis of other payables is as follows:

	2016 £'000	2015 £'000
Other payables	<u>30</u>	<u>14</u>

The Directors consider that the carrying value of the Company's 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 14: Financial risks.

11 Share capital

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

	Number of Shares	Ordinary Shares £'000	Total £'000
At 1 January and 31 December 2016 and 2015	<u>100,002</u>	<u>100</u>	<u>100</u>

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.

12 Retained earnings

Movements in retained earnings are as follows:

	2016 £'000	2015 £'000
At 1 January	1,495	1,239
Total comprehensive income for the year	<u>254</u>	<u>256</u>
At 31 December	<u>1,749</u>	<u>1,495</u>

BARCLAYS FIDUCIARY SERVICES (UK) LIMITED

Notes to the Financial Statements (continued) For the year ended 31 December 2016

13 Contingent liabilities and commitments

The Company is trustee of an unauthorised unit trust that was established as a vehicle for pension funds and charities to invest in agricultural property. On 27 May 2002 the unit holders resolved to make changes to the Trust to facilitate its termination. The Supplemental Trust Deed executed on 6 June 2002, provides a degree of protection against claims by unit holders (but not third parties) in the form of an exoneration clause.

On 22 November 2002, the trust's Committee of Management was disbanded and its administrator removed. Since then the trust has retained assets, now in the form of cash, of approximately £2.7 million.

With effect from that date, the trustee put in place insurance cover of £20 million protecting the trustee, members of the Committee of Management and the Secretary to the Trust against any claims arising at any future date as a result of their actions between the date the Trust was established and 22 November 2002. The Company's legal advisors have advised that this provides a good degree of protection except in relation to pollution risks.

While an environmental risk survey in 2016 determined the pollution risk as low, the Trust took out Environmental Liability Insurance to cover potential 'clean-up costs' for a two year period commencing 22 September 2016.

An environmental surveyor has completed a first stage assessment of the land in question (without accessing the land). Consent is currently being sought from the Company's insurers and underwriters to access the site (with the prior approval of the landowner) and to carry out intrusive investigations in order to establish the extent of the liability.

No claims have been made against the Company or any other party during the administration of the trust.

The Company has support from its parent Company, Barclays Bank PLC.

14 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 Barclays (UK), 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 2016 and 2015:

	2016 £'000	2015 £'000
Amounts due from related parties	1,832	1,522
Accrued income	78	71
Total maximum exposure at 31 December	1,910	1,593

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

(b) Liquidity risk

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

BARCLAYS FIDUCIARY SERVICES (UK) LIMITED

Notes to the Financial Statements (continued) For the year ended 31 December 2016

14 Financial risks (continued)

(b) Liquidity risk (continued)

The Company has support from the parent company, Barclays Bank PLC, and maintains banking facilities with Barclays Bank PLC 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 2016 and 2015 were effectively due on demand.

(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.

Interest rate risk

As the Company has no interest bearing financial assets and liabilities, it has no exposure to interest rate risk.

Foreign currency risk

As the Company has no foreign currency earnings or recognised assets and liabilities denominated in foreign currency, it has no exposure to foreign currency risk.

Price risk

The Company has no direct exposure to Price Risk.

15 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 2016

Fellow
subsidiaries
£'000

Balances outstanding at 31 December 2016

Loans and other receivables

1,832

For the year ended 31 December 2015

Fellow
subsidiaries
£'000

Balances outstanding at 31 December 2015

Loans and other receivables

1,522

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

BARCLAYS FIDUCIARY SERVICES (UK) LIMITED

Notes to the Financial Statements (continued) For the year ended 31 December 2016

16 Events after the balance sheet date

On 7 March 2017 the Company paid a dividend of £16.83 per share totalling £1,683,604.

As noted in the Future Outlook in the Strategic Report on page 3 an agreement has been reached to sell the Company, the transaction is expected to complete on 31 March 2017.

17 Capital management

The Company's objectives when managing capital are:

- To safeguard the Company's ability to continue as a going concern; and
- To generate sufficient capital to support asset growth

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.

Total capital is as follows:

	2016 £'000	2015 £'000
Share capital	100	100
Retained earnings	1,749	1,495
Total capital resources	1,849	1,595

The Company's capital is independently monitored by the Barclays (UK) Treasurer on behalf of the directors.

18 Parent undertaking and ultimate holding company

The parent of the Company is Barclays Bank PLC. 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 Barclays Corporate Secretariat, 1 Churchill Place, London, E14 5HP.