

B.P.B. (Holdings) Limited

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

REGISTERED NUMBER IN ENGLAND: 02569005



B.P.B. (HOLDINGS) LIMITED

Directors' Report and Financial Statements For the year ended 31 December 2017

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B.P.B. (HOLDINGS) LIMITED

Directors' Report For the year ended 31 December 2017

The Directors present their annual report together with the audited financial statements of B.P.B. (Holdings) Limited (the 'Company') for the year ended 31 December 2017.

Profit and dividends

During the year the Company made a profit after tax of £16,897,000 (2016: £35,460,000). An initial interim dividend of CHF 20,000,000 was paid on 12 May 2017 and a further interim dividend in specie declared on 14 November 2016 equivalent to £108,000 has been re-classified within the 2017 financial statements (See note 9) (2016: an initial interim dividend of £21,270,561 was paid on 21 June 2016, a second interim dividend of £10,000,000 was paid on 11 July 2016 and a third interim dividend of £56,636,347 was paid on 11 November 2016).

The Directors do not recommend the payment of a final dividend (2016: £nil).

Post balance sheet events

Barclays Private Banking Services Limited a wholly owned subsidiary of B.P.B (Holdings) entered voluntary liquidation on 15 January 2018 (Note 10).

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:

C K H Lim	
A R Morris	
P G Yeates	
H C Wood	(appointed 8 March 2017)

Since the year end, R L Jones and E J Williams were appointed as Director's on 8 February 2018, A R Morris resigned as a Director on 15 January 2018 and C K H Lim resigned as a Director on 9 February 2018.

Going concern

After reviewing the Company's performance projections, the Directors are satisfied that the Company has adequate access to resources to enable it to meet its obligations and to continue in operational existence for the foreseeable future. For this reason, the Directors have adopted the going concern basis in preparing these financial statements.

Statement of Directors' responsibilities

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

B.P.B. (HOLDINGS) LIMITED

Directors' Report (continued)
For the year ended 31 December 2017

Statement of Directors' responsibilities (continued)

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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 15.

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 2017 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 auditor's

KPMG LLP has been appointed by the Company to hold office in accordance with s.487 of the Companies Act 2006.

Statement of disclosure of information to auditor's

So far as the Directors are aware, there is no relevant audit information of which the Company's Auditor is 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 Auditor is aware of that information.

FOR AND ON BEHALF OF THE BOARD



Paul Yeates
Director
28 June 2018

B.P.B. (HOLDINGS) LIMITED

Strategic Report

For the year ended 31 December 2017

Business review and principal activities

The sole activity of B.P.B. (Holdings) Limited ('the Company') is to act as a holding company for its subsidiaries.

Business performance

The results of the Company for the year show a profit before taxation of £16,901,000 (2016: £35,584,000) and total comprehensive income of £16,897,000 (2016: £35,460,000). The Company has net assets of £81,753,000 (2016: £80,431,000). Net cash inflow from operating activities for 2017 was £16,316,000 (2016: £36,888,000).

Future outlook

The Company will continue to act as a holding company for its subsidiaries which are disclosed within note 10 to the accounts.

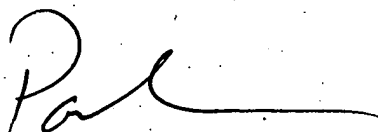
Principal risks and uncertainties

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 on page 119 of the Barclays PLC 2017 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 the Company, is discussed on page 15 of the Barclays PLC annual report which does not form part of this report.

FOR AND ON BEHALF OF THE BOARD



Paul Yeates
Director
28 June 2018

B.P.B. (HOLDINGS) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF B.P.B. (HOLDINGS) LIMITED

Opinion

We have audited the financial statements of B.P.B (Holdings) Limited (the "Company") for the year ended 31 December 2017 which comprise the balance sheet as at 31 December 2017, income statement, statement of changes in equity and statement of cash flows for the year then ended and related notes, including the accounting policies in note 4 (the "financial statements").

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic report and Directors' report

The Directors are responsible for the strategic report and the Directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the Directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the Directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

B.P.B. (HOLDINGS) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF B.P.B. (HOLDINGS) LIMITED

Directors' responsibilities

As explained more fully in their statement 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Alexander Snook (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
28 June 2018

KPMG LLP
15 Canada Square
London
E14 5GL

B.P.B. (HOLDINGS) LIMITED

Income Statement For the year ended 31 December 2017

	Notes	2017 £'000	2016 £'000
Income from shares in group undertakings		16,793	37,137
Interest income	5	-	620
Total Income		16,793	37,757
Impairment of subsidiary undertakings	10	108	(2,173)
Profit before taxation	6	16,901	35,584
Taxation	8	(4)	(124)
Total comprehensive income for the year		16,897	35,460

Profit or loss for the year is derived from continuing activities. All recognised income and expenses have been reported in the income statement, hence no statement of comprehensive income has been included in the financial statements. The accompanying notes form an integral part of these financial statements.

B.P.B. (HOLDINGS) LIMITED

Balance Sheet
As at 31 December 2017

	Notes	31 December 2017 £'000	31 December 2016 £'000
ASSETS			
Non-current assets			
Investments in subsidiary undertakings	10	78,421	78,426
Total non-current assets		78,421	78,426
Current assets			
Cash and cash equivalents		3,337	2,483
Total current assets		3,337	2,483
Total assets		81,758	80,909
LIABILITIES			
Current liabilities			
Current taxation	12	5	478
Total current liabilities		5	478
Net current assets		3,332	2,005
Total liabilities		5	478
Net assets		81,753	80,431
SHAREHOLDERS' EQUITY			
Called up share capital	13	64,295	64,295
Share premium account	13	-	-
Retained earnings	14	17,458	16,136
Total shareholders' equity		81,753	80,431

The accompanying notes form an integral part of the financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 28 June 2018 and were signed on its behalf by:



Paul Yeates
28 June 2018

B.P.B. (HOLDINGS) LIMITED**Statement of Changes In Equity
For the year ended 31 December 2017**

	Notes	Share Capital £'000	Share Premium Account £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2017		64,295	-	16,136	80,431
Total comprehensive income for the year		-	-	16,897	16,897
Dividends paid	9	-	-	(15,570)	(15,570)
Cancellation of subsidiary shares	10	-	-	(5)	(5)
Balance at 31 December 2017		64,295	-	17,458	81,753

	Notes	Share Capital £'000	Share Premium Account £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2016		64,295	42,770	25,813	132,878
Total comprehensive income for the year		-	-	35,460	35,460
Capital restructure	13	-	(42,770)	42,770	-
Dividends paid	9	-	-	(87,907)	(87,907)
Balance at 31 December 2016		64,295	-	16,136	80,431

The accompanying notes form an integral part of the financial statements.

B.P.B. (HOLDINGS) LIMITED**Cash flow statement
For the year ended 31 December 2017**

		2017	2016
Continuing Operations	Notes	£'000	£'000
Reconciliation of profit before tax to net cash flows from operating activities:			
Profit before taxation		16,901	35,584
Interest received		-	(620)
Impairment of subsidiary undertakings	10	(108)	2,173
Net decrease in loans and other receivables		-	20
Tax paid		(477)	(269)
Net cash from operating activities		16,316	36,888
Cash flows from investing activities			
Interest received		-	620
Net cash from investing activities		-	620
Cash flows from financing activities			
Dividends paid		(15,462)	(87,907)
Repayment of Subordinate Loan (BBPLC)		-	41,750
Net cash used in financing activities		(15,462)	(46,157)
Net increase/(decrease) in cash and cash equivalents		854	(8,649)
Cash and cash equivalents at beginning of year		2,483	11,132
Cash and cash equivalents at end of year		3,337	2,483
Cash and cash equivalents comprise:			
Cash and balances with Barclays Bank PLC		3,337	2,483

The accompanying notes form an integral part of the financial statements.

B.P.B. (HOLDINGS) LIMITED

Notes to the Financial Statements For the year ended 31 December 2017

1 Reporting entity

These financial statements are prepared for B.P.B. (Holdings) Limited (the 'Company'), the principal activity of which is to act as a holding company. The financial statements are separate financial statements prepared for the Company only, in line with the UK Companies Act 2006. The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its Group. 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 interpretations issued by the IFRS interpretations Committee ('IFRS IC'), as published by the International Accounting Standards Board ('IASB') and accordingly consolidated financial statements have not been prepared based on the exemption provided under paragraph 4(a) of IFRS 10.

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 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

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 2017 have resulted in changes in accounting policy. There are no new 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 to the Company's financial reporting after 2017 as a result of amended or new accounting standards that have been or will be issued by the IASB. The most significant of these are as follows:

IFRS 15, 'Revenue from contracts with customers' applies to all contracts with customers except leases, financial instruments and insurance contracts. The standard establishes a more systematic approach for revenue measurement and recognition by introducing a five-step model governing revenue recognition. The five-step model includes 1) identifying the contract with the customer, 2) identifying each of the performance obligations included in the contract, 3) determining the amount of consideration in the contract, 4) allocating the consideration to each of the identified performance obligations and 5) recognising revenue as each performance obligation is satisfied. In April 2016, the IASB issued clarifying amendments to IFRS 15 which provide additional guidance but did not change the underlying principles of the standard. The standard was endorsed by the EU in September 2016.

B.P.B. (HOLDINGS) LIMITED

Notes to the Financial Statements For the year ended 31 December 2017

2 Compliance with International Financial Reporting Standards (continued)

Future accounting developments (continued)

The Company will implement this standard on 1 January 2018. The Company has elected the cumulative effect transition method with a transition adjustment calculated as of 1 January 2018 and recognised in retained earnings without restating comparatives. IFRS 15 requires certain incremental 'costs to obtain a contract' and certain 'costs to fulfil a contract' to be capitalised on balance sheet and amortised on a systematic basis consistent with the transfer of goods/services to the customer. The impact of the Company adopting IFRS 15 is still being assessed.

IFRS 9, 'Financial instruments', will replace IAS 39 Financial Instruments: Recognition and Measurement is effective for periods beginning on or after 1 January 2018 and was endorsed by the EU in November 2016. IFRS 9, in particular the impairment requirements, will lead to significant changes in the accounting for financial instruments. The Company will not restate comparatives on initial application of IFRS 9 on 1 January 2018 but will provide detailed transitional disclosures in accordance with the amended requirements of IFRS7. The impact of the Company adopting IFRS 9 is still being assessed but is not expected to be material.

3 Basis of preparation

The financial statements have been prepared on a going concern basis 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.

4 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.

a) Foreign currency translation

Items included in the financial statements of the Company are measured using their functional currency, being Pounds Sterling (GBP), 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 items denominated in foreign currencies are retranslated at the rate prevailing at the period end. Foreign exchange gains and losses resulting from the retranslation and settlement of these items are recognised in the income statement except for qualifying cash flow hedges or hedges of net investments.

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) Dividends from subsidiaries

Dividend income is recognised when the right to receive payment is established, which is when the dividends are received or the dividends are appropriately authorised by the subsidiary.

B.P.B. (HOLDINGS) LIMITED

Notes to the Financial Statements For the year ended 31 December 2017

4 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 tax 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 differences arising from the differences between the tax bases of assets and liabilities and their carrying amounts in the Company's financial statements. Deferred income tax is determined using tax rates and legislation enacted or substantively enacted by the balance sheet 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 twelve months after the balance sheet date. These are classified as non-current assets. Loans and receivables are stated at amortised cost using the effective interest method. (See above). 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, or where the Company has as not transferred nor retained substantially all the risks and rewards of ownership and where it has lost control.

B.P.B. (HOLDINGS) LIMITED

Notes to the Financial Statements For the year ended 31 December 2017

4 Summary of significant accounting policies (continued)

e) Financial assets and liabilities (continued)

Financial liabilities

Financial liabilities are initially recognised at fair value including direct and incremental transaction costs, amortised cost, and subsequently measured at amortised costs, except for trading liabilities and liabilities designated at fair value, (see above) 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 balance sheet.

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 market price 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 balance sheet date whether there is objective evidence that loans and receivables are impaired. The factors that the Company uses include significant financial difficulty 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. For the purpose of the assessment, loans with similar credit risk characteristics are grouped together- generally on the basis of their product type, industry, geographic location, collateral type, past due status and other factors relevant to the evaluation of expected future cash flows.

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 income statement. 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 income statement. Reversals of impairment of equity shares are not recognised in the income statement, increases in the fair value of equity shares after impairment are recognised directly in equity.

The impairment assessment includes estimating the expected future cash flows from the asset or the group of assets, which are then discounted using the original effective interest rate calculated for the asset. If this is lower than the carrying value of the asset or the portfolio, an impairment allowance is raised.

B.P.B. (HOLDINGS) LIMITED

Notes to the Financial Statements For the year ended 31 December 2017

4 Summary of significant accounting policies (continued)

e) Financial assets and liabilities (continued)

Impairment of financial assets (continued)

If, in a subsequent period, the amount of the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the income statement.

Following impairment, interest income continues to be recognised at the original effective interest rate on the restated carrying amount, representing the unwind of the discount of the expected cash flows, including the principal due on non-accrual loans.

Uncollectable loans are written off against the related allowance for loan impairment on completion of the Company's internal processes when all reasonably expected recoverable amounts have been collected. Subsequent recoveries of amounts previously written off are credited to the income statement.

Netting

Financial assets and liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a legally enforceable right to set off the recognised amounts in all circumstances and there is an intention to settle on a net basis, or to realise an asset and settle the liability simultaneously.

f) Investments in subsidiary undertakings

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

The company assesses at each balance sheet date whether there is objective evidence that investments in subsidiary undertakings are impaired. The amount of impairment loss is measured as the difference between the subsidiary's carrying amount and the net asset value of the company.

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 shareholder.

i) Cash and cash equivalents

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

5 Net interest income

Net interest income comprises the following:

	2017 £'000	2016 £'000
Interest income		
Interest receivable from related parties	-	620
Net interest income	-	620

B.P.B. (HOLDINGS) LIMITED

Notes to the Financial Statements For the year ended 31 December 2017

6 Profit before taxation

The audit fees incurred in connection with the Company are paid centrally through Barclays Bank PLC for the year ended 31 December 2017 and 2016 respectively. These fees are not recharged to the Company.

7 Employees and key management, including directors

There were no employees employed by the Company during 2017 and 2016. The Directors are considered to be the key management personnel.

The Directors did not receive any emoluments in respect of their services to the Company during the year (2016: £nil). The Company has made no loans, guarantees or other such dealings to its Director and others during the year (2016: £nil).

No Director is accruing retirement benefits under a defined benefit scheme and a defined contribution scheme (2016: £nil).

No Directors exercised options under the Barclays PLC Sharesave Scheme and Long Term Incentive Schemes during the year (2016: two).

No Director is entitled to benefits under the Share Value Plan (2016: £nil).

8 Taxation

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

	2017 £'000	2016 £'000
Current tax charge		
Current year	-	124
Adjustment for prior years	4	-
Overall tax charge in the Income Statement	4	124

The main rate of UK corporation tax is 20% from 1 April 2015 to 31 March 2017. Legislation has been introduced to reduce the main rate of UK corporation tax to 19% from 1 April 2017 and 17% from 1 April 2020.

	2017 £'000	2016 £'000
Profit before taxation	16,901	35,584
Tax charge at average UK corporation tax rate of 19.25% (2016: 20%)	3,253	7,117
Effects of:		
Non taxable UK dividend income	(3,232)	(7,427)
Non deductible impairment of subsidiaries	(21)	434
Adjustment in respect of prior year	(4)	-
Apportioned chargeable profits of CFC	-	-
Overall tax charge	(4)	124
Effective tax rate %	0.03%	0.35%

B.P.B. (HOLDINGS) LIMITED

Notes to the Financial Statements For the year ended 31 December 2017

9 Dividends on ordinary shares

An analysis of dividends paid is as follows:

	2017	2016
	£'000	£'000
Interim paid 24p (2016: £1.37) per share	15,462	87,907
Interim dividend in specie 1.7p per share (Note 10)	108	-
	15,570	87,907

10 Investments in subsidiary undertakings

Movements in the Company's investments in subsidiary undertakings are as follows:

	2017	2016
	£'000	£'000
At 1 January	78,426	80,599
<i>Impairment (recognised)</i>		
Barclays Private Bank	-	(2,065)
Barclays Wealth Services Limited	108	(108)
<i>Disposals</i>		
Barclays Wealth Services Limited	(108)	-
<i>Cancellation of shares</i>		
Barclays Private Banking Services Limited	(5)	-
At 31 December	78,421	78,426

The Company disposed of the entire issued share capital of Barclays Wealth Services Limited to its sole member, Barclays Bank PLC, on 11 November 2016. Consideration of £108,000 was paid via an interim dividend in specie.

The disposal of Barclays Wealth Services Limited was misclassified as an impairment within the 2016 financial statements. This misclassification has been deemed immaterial and as such has been corrected within the current year financial statements in line with IAS 8.

Barclays Private Banking Services Limited reduced the entity's issued share capital of £5,000, comprising 5,000 ordinary shares of £1.00 each, to £2.00, comprising 2 ordinary shares of £1.00 each through a cancellation of 4,998 ordinary shares on 12 December 2017. Barclays Private Banking Services Limited subsequently entered voluntary liquidation on 15 January 2018.

B.P.B. (HOLDINGS) LIMITED

Notes to the Financial Statements For the year ended 31 December 2017

10 Investments in subsidiary undertakings (continued)

Details of the Company's principal subsidiaries at 31 December 2017 are as follows:

Name of Subsidiary	Registered Office Address	Class of Shares/Units	Name of immediate parent	Total proportion of nominal value held by immediate parent (%)
Barclays Private Banking Services Limited	1 Churchill Place London E14 5HP	Ordinary	B.P.B. (Holdings) Limited	100%
Barclays Bank (Suisse) SA	Chemin de Grange Canal 18-20 PO Box 3941 1211 Geneva Switzerland	Ordinary	B.P.B. (Holdings) Limited	100%
BPB Holdings SA	Chemin de Grange Canal 18-20 PO Box 3941 1211 Geneva Switzerland	Ordinary	B.P.B. (Holdings) Limited	100%
Barclays Private Bank	1 Churchill Place London E14 5HP	Ordinary	B.P.B. (Holdings) Limited	100%
Barclays BPT (Formerly Barclays Private Trust and Barclays Investment Solutions)	Hill House, 1 Little New Street, London, EC4A 3TR United Kingdom	Ordinary	B.P.B. (Holdings) Limited	100%

Barclays BPT entered voluntary liquidation on 7 November 2017.

The 100% shareholding in Barclays BPT (Formerly Barclays Private Trust and Barclays Investment Solutions), was not disclosed within the 2016 financial statements list of principal subsidiaries.

The Directors believe that the carrying value of the investments is supported by their underlying net assets.

In the opinion of the Directors, the value of the Company's investment in its subsidiary undertakings are not less than the amount at which they are included in the Balance Sheet.

B.P.B. (HOLDINGS) LIMITED

Notes to the Financial Statements For the year ended 31 December 2017

11 Loans and advances to parent

On 20 December 2007, the Company entered into an agreement to provide a subordinated loan of £41.75 million to its immediate parent company, Barclays Bank PLC. On 20 December 2016 the Tier 2 subordinated loan was terminated and the funds were provided back to B.P.B. (Holdings) Limited.

Interest was charged in respect of each Interest Period (monthly) at a rate per annum of 100 basis points over the three month offered rate for pounds sterling in the London Inter-Bank Market (LIBOR).

	2017 £'000	2016 £'000
At 1 January	-	41,750
Subordinated loan repaid	-	(41,750)
At 31 December	-	-

12 Current tax liabilities

Current tax liabilities were as follows:

	2017 £'000	2016 £'000
UK corporation tax payable	5	478

13 Share Capital

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

	Number of shares	Ordinary shares £'000	Share premium £'000	Total £'000
At 1 January 2017	64,294,864	64,295	-	64,295
At 31 December 2017	64,294,864	64,295	-	64,295
At 1 January 2016	64,294,864	64,295	42,770	107,065
Capital restructure	-	-	(42,770)	(42,770)
As at 31 December 2016	64,294,864	64,295	-	64,295

On 23 December 2016 the Directors of the Company approved a special resolution to reduce the Share Premium Account to nil and thereby create distributable reserves.

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.

B.P.B. (HOLDINGS) LIMITED

Notes to the Financial Statements For the year ended 31 December 2017

14 Retained earnings

Movements in retained earnings are as follows:

	2017 £'000	2016 £'000
At 1 January	16,136	25,813
Capital restructure (see note 13)	-	42,770
Total comprehensive income for the year	16,897	35,460
Dividends paid (see note 9)	(15,570)	(87,907)
Cancellation of subsidiary shares (see note 10)	(5)	-
At 31 December	17,458	16,136

15 Financial risks

The Company's activities expose it to a variety of financial risks. These are credit risk, liquidity risk, market risk (which includes foreign currency risk, interest rate risk and price risk). Consequently, the Company devotes considerable resources to maintaining effective controls to manage, measure and mitigate each of these risks, and regularly reviews its risk management procedures and systems to ensure that they continue to meet the needs of the business.

The Board of Directors monitors the Company's financial risks and has responsibility for ensuring effective risk management and control.

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.

The Company assesses all counterparties, including its customers, for credit risk before contracting with them.

Cash and cash equivalents

The Company's cash and cash equivalents are held with its parent Company, Barclays Bank PLC, and are, therefore, considered low risk.

b) Liquidity risk

This is the risk that the Company's cash and committed facilities may be insufficient to meet its debts as they fall due. The Company has the financial support of the parent undertaking Barclays Bank PLC, it also maintains banking facilities with Barclays Bank PLC. These facilities are designed to ensure the Company has sufficient available funds for operations.

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

Interest rate risk is the possibility that changes in interest rates will result in higher financing costs and/or reduced income from the Company's interest bearing financial assets and liabilities.

Interest rate sensitivity analysis

The sensitivity of the income statement is the effect of assumed changes in interest rates on the net interest income for one year, based on the floating rate non-trading financial assets and financial liabilities held at 31 December 2017.

B.P.B. (HOLDINGS) LIMITED

Notes to the Financial Statements For the year ended 31 December 2017

15 Financial risks (continued)

Impact on net finance income

The effect on interest of a 50 basis points change would be as follows:

	+50 basis points 2017 £'000	-50 basis points 2017 £'000	+50 basis points 2016 £'000	-50 basis points 2016 £'000
Total	-	-	12	(12)
GBP	-	-	12	(12)
As a percentage of net finance income	0%	0%	2%	(2%)

Impact on equity

Interest rates affect equity as a result of higher or lower profit after tax resulting from lower net interest income. The effects of taxation have been estimated using the average UK corporation tax rate of 19.25% (2016: 20%).

The sensitivity analysis for the interest rate impact on equity is as follows:

	+50 basis points 2017 £'000	-50 basis points 2017 £'000	+50 basis points 2016 £'000	-50 basis points 2016 £'000
Finance Income	-	-	12	(12)
Tax effects on the above	-	-	(2)	2
Impact on profit for the year	-	-	10	(10)
As a percentage of profit after tax	0%	0%	0%	(0%)
As a percentage of equity	0%	0%	0%	(0%)

Foreign currency risk

As the Company has no net forward exposures to foreign currency transactions, no foreign currency exchange rate assumptions requiring sensitivity analysis have been employed in the income statement or equity.

Price risk

Due to the nature of the Company's activities it has no significant exposure to price risk in the ordinary course of its business.

16 Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the party in making financial or operational decisions, or one other party controls both.

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, and the balances outstanding at the year end, are disclosed in the tables below:

B.P.B. (HOLDINGS) LIMITED

Notes to the Financial Statements
For the year ended 31 December 2017

16 Related party transactions (continued)

For the year ended 31 December	2017 Parent company £'000	2017 Subsidiary companies £'000	2016 Parent company £'000	2016 Subsidiary companies £'000
Transactions				
Interest received	-	-	620	-
Dividends (paid)/received (Note 9)	(15,570)	16,793	(87,907)	37,137
Repayment of loan	-	-	41,750	-
Total	(15,570)	16,793	(45,537)	37,137
Balances outstanding at 31 December				
Assets	3,337	-	2,483	-
Total	3,337	-	2,483	-

17 Events after the balance sheet date

Events occurring between the balance sheet date and the date the financials are authorised for issue:

- Barclays Private Banking Services Limited a wholly owned subsidiary of B.P.B (Holdings) entered voluntary liquidation on 15 January 2018 (Note 10).

18 Capital management

The Company's objectives when managing capital are:

- To safeguard the Company's ability to continue as a going concern
- To maintain 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 Balance Sheet.

Total capital is as follows:

	2017 £'000	2016 £'000
Share capital	64,295	64,295
Share premium account	-	-
Retained earnings	17,458	16,136
Total capital resources	81,753	80,431

The Company's capital is independently monitored by the Barclays International Treasurer on behalf of the Directors.

19 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.