

BARCLAYS PRIVATE BANKING SERVICES LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**



REGISTERED NUMBER: 2793073

BARCLAYS PRIVATE BANKING SERVICES LIMITED

Directors' Report And Financial Statements For The Year Ended 31 December 2013

INDEX	Page
Directors' report	1
Strategic Report.....	3
Independent Auditors' report.....	4
Statement of comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Statement of cash flows.....	9
Notes to the financial statements.....	10

BARCLAYS PRIVATE BANKING SERVICES LIMITED

Directors' Report

For The Year Ended 31 December 2013

The Directors present their annual report together with the audited financial statements of Barclays Private Banking Services Limited, a company domiciled in the UK with Registered Number 2793073, for the year ended 31 December 2013.

Profit and Dividends

During the year the Company made a loss after taxation of £1,024,824 (2012: £1,557,992 profit). The Directors do not recommend the payment of a final dividend (2012: £nil). No interim dividend has been paid (2012: £nil).

Directors

The Directors of the Company, who served during the year and up to the date of signing the financial statements, together with their dates of appointment and resignation, where appropriate, are as shown below:

N S Arnold (appointed 03/12/2013)
M V Jones
P G Yeates

Statement of Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial instruments

Barclays financial risk management objectives and policies, which are followed by the Company, including the policy for hedging each major type of forecasted transaction for which hedge accounting is used, and the exposure to market risk, credit risk and liquidity risk are set out in the note "Financial Risks" in note 15.

Directors' third party indemnity provisions

Qualifying third-party indemnity provisions were in force during the course of the financial year ended 31 December 2013 for the benefit of the then Directors and, at the date of this report, are in force for the benefit of the Directors in relation to certain losses and liabilities which they may incur (or have incurred) in connection with their duties/powers of office.

Independent auditors

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

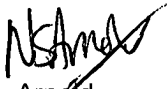
BARCLAYS PRIVATE BANKING SERVICES LIMITED

Directors' Report (continued)
For The Year Ended 31 December 2013

Statement of disclosure of information to auditors

So far as the Directors are aware, there is no relevant information which the Company's Auditors are unaware. The Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

BY ORDER OF THE BOARD



N. Arnold
Director

19 September 2014

BARCLAYS PRIVATE BANKING SERVICES LIMITED

Strategic Report For The Year Ended 31 December 2013

Principal Activities and Business Review

The principal activity of Barclays Private Banking Services Limited (the "Company") is to provide personnel services, including the secondment of staff, to Barclays Bank PLC.

Business performance

The results of the Company show a profit before taxation of £nil for the year (2012: £64 profit) and total comprehensive deficit of £1,024,824 (2012: £1,557,992 income). The Company has net debt of £nil (2012: £nil). Net cash deficit used in operations was £nil (2012: £794 deficit).

Future Outlook

The Company will continue to provide personnel services, including the secondment of staff, to Barclays Bank PLC for the foreseeable future.

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Barclays PLC group and are not managed separately. Accordingly, the principal risks and uncertainties of Barclays PLC, which include those of the Company, are discussed 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. Barclays Private Banking Services Limited is a part of Barclays, Wealth & Investment Management division, and its development, performance and position, is discussed in the Barclays PLC annual report, which does not form part of this report.

BY ORDER OF THE BOARD



N. Arnold
Director
19 September 2014

BARCLAYS PRIVATE BANKING SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BARCLAYS PRIVATE BANKING SERVICES LIMITED

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the Company's affairs as at 31 December 2013 and of its loss 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by Barclays Private Banking Services Limited, comprise:

- Statement of Financial Position as at 31 December 2013;
- 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 their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("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.

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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

BARCLAYS PRIVATE BANKING SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BARCLAYS PRIVATE BANKING SERVICES LIMITED

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.

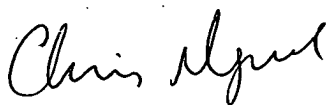
Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on pages 1 and 2, 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 ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Chris Meyrick (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Glasgow
19 September 2014

BARCLAYS PRIVATE BANKING SERVICES LIMITED

Statement of Comprehensive Income For The Year Ended 31 December 2013

	Notes	2013 £	2012 £
Continuing operations			
Revenue	4	14,880,124	13,400,804
Administrative expenses		<u>(14,880,124)</u>	<u>(13,400,804)</u>
Operating profit		-	-
Interest income and similar income	5	<u>-</u>	<u>64</u>
Profit and total comprehensive income before taxation	6	-	64
Taxation	8	<u>(1,024,824)</u>	<u>1,557,928</u>
(Loss)/profit and total comprehensive (deficit)/income for the year		<u>(1,024,824)</u>	<u>1,557,992</u>

The accompanying notes on pages 10 to 20 form an integral part of these financial statements.

Loss after tax and total comprehensive deficit for the year was £1,024,824 (2012: £1,557,992 profit after tax and total comprehensive income). There were no items of other comprehensive income.

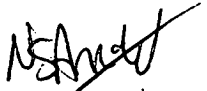
BARCLAYS PRIVATE BANKING SERVICES LIMITED

Statement of Financial Position For The Year Ended 31 December 2013

	Notes	2013 £	2012 £
ASSETS			
Non-current assets			
Deferred tax	9	305,885	-
Total non-current assets		<u>305,885</u>	<u>-</u>
Current assets			
Current tax asset	10	330,099	1,660,808
Cash and cash equivalents		862,059	862,059
Total current assets		<u>1,192,158</u>	<u>2,522,867</u>
TOTAL ASSETS		<u>1,498,043</u>	<u>2,522,867</u>
LIABILITIES			
Current liabilities			
Trade and other payables	11	1,563	1,563
Total current liabilities		<u>1,563</u>	<u>1,563</u>
Net current assets		1,190,595	2,521,304
NET ASSETS		<u>1,496,480</u>	<u>2,521,304</u>
EQUITY			
Share capital	12	5,000	5,000
Retained earnings	13	1,491,480	2,516,304
Total shareholders' equity		<u>1,496,480</u>	<u>2,521,304</u>
Total equity and liabilities		<u>1,498,043</u>	<u>2,522,867</u>

The accompanying notes on pages 10 to 20 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 19 September 2014 and were signed on its behalf by:


N. Arnold
Director
19 September 2014

BARCLAYS PRIVATE BANKING SERVICES LIMITED

Statement of Changes In Equity For The Year Ended 31 December 2013

	Share capital £	Retained earnings £	Total equity £
At 1 January 2013	5,000	2,516,304	2,521,304
Loss and total comprehensive deficit for the year	-	(1,024,824)	(1,024,824)
At 31 December 2013	5,000	1,491,480	1,496,480
	Share capital £	Retained earnings £	Total equity £
At 1 January 2012	5,000	958,312	963,312
Profit and total comprehensive income for the year	-	1,557,992	1,557,992
At 31 December 2012	5,000	2,516,304	2,521,304

The accompanying notes on pages 10 to 20 form an integral part of these financial statements.

BARCLAYS PRIVATE BANKING SERVICES LIMITED

Statement of Cash Flow For the year ended 31 December 2013

	2013 £	2012 £
Continuing operations		
Reconciliation of profit before tax to net cash flows from operating activities		
Profit before taxation	-	64
Adjustment for interest income	-	(64)
Net increase in trade and other payables	-	1
Cash from operating activities	-	1
Tax paid	-	(795)
Net cash used in operating activities	-	(794)
Cash flows from investing activities		
Interest income	-	64
Net cash from investing activities	-	64
Net decrease in cash and cash equivalents	-	(730)
Cash and cash equivalents at 1 January	862,059	862,789
Cash and cash equivalents at 31 December	862,059	862,059
Cash and cash equivalents comprise:		
Cash and balances with banks	862,059	862,059

The accompanying notes on pages 10 to 20 form an integral part of these financial statements.

BARCLAYS PRIVATE BANKING SERVICES LIMITED

Notes To The Financial Statements For The Year Ended 31 December 2013

1 Reporting entity

These financial statements are prepared for the Company, the principal activity of which is to provide personnel services, including the secondment of staff, to Barclays Bank PLC. The financial statements are prepared for the Company only. The parent undertaking of the smallest group that presents consolidated financial statements is Barclays Bank PLC and the ultimate holding company and the parent undertaking of the largest group that presents group financial statements is Barclays PLC, both of which prepare consolidated financial statements in accordance with International Financial Reporting Standards ('IFRS'), and accordingly consolidated financial statements have not been prepared.

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

2 Compliance with International Financial Reporting Standards

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations (IFRICs) issued by the Interpretations Committee, as published by the International Accounting Standards Board (IASB). They are also in accordance with IFRS and IFRIC interpretations endorsed by the European Union. The principal accounting policies applied in the preparation of the consolidated and individual financial statements are set out below, and in the relevant notes to the financial statements. These policies have been consistently applied.

Future accounting developments

New and amended standards adopted by the Company

The following standards and amendments are effective for the first time for the financial year beginning on or after 1 January 2013 and relevant to the Company's operations, but would not be expected to have a material impact on the Company:

- Amendment to IAS 1, 'Financial Statement Presentation' regarding other comprehensive income.
- Amendment to IFRS 7, 'Financial Instruments: Disclosures' on asset and liability offsetting.
- IFRS 13, 'Fair value measurement'.
- IAS 19, 'Employee benefits'.

Standards, amendments and interpretations effective on 1 January 2013 but not relevant

The following standards and amendments to existing standards are mandatory for the Company's accounting periods beginning on or after 1 January 2013 but are not relevant to the Company's operations:

- IFRS 10, 'Consolidated Financial Statements'.
- IFRS 11, 'Joint arrangements'.
- IFRS 12, 'Disclosure of interest in other entities'.
- IAS 36 (amendment), 'Impairment of assets'.

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

The following standards and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 1 January 2014 or later periods, but the Company has not early adopted them:

- IFRS 9, 'Financial instruments: Classification and measurement'.
- IFRIC 21, 'Levies', sets out the accounting for an obligation to pay a levy that is not income tax.

If early adopted, these are not expected to have a material impact on the Company's financial statements, and have therefore not been analysed in detail.

BARCLAYS PRIVATE BANKING SERVICES LIMITED

Notes To The Financial Statements (continued) For The Year Ended 31 December 2013

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 pounds sterling, (£), the currency of the country in which the Company is incorporated.

The preparation of financial statements in accordance with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the accounting policies. There were no critical estimates or assumptions used in preparing the financial statements.

a) 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 on 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.

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.

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

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 in the Statement of Financial Position.

BARCLAYS PRIVATE BANKING SERVICES LIMITED

Notes To The Financial Statements (continued) For The Year Ended 31 December 2013

3 Summary of significant accounting policies

c) Financial assets and liabilities (continued)

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.

Netting

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

d) Employee benefits

Short-term employee benefits

Short-term employee benefits, such as salaries, paid absences, and other benefits, are accounted for on an accruals basis over the period which employees have provided services in the year. Bonuses are recognised to the extent that the Company has a present obligation to its employees that can be measured reliably.

All expenses related to employee benefits are recognised in the income statement in staff costs, which are included within operating expenses.

e) Share-based payments to employees

In common with remuneration practices adopted within the Barclays Group, the remuneration packages of the Company's employees include equity settled share-based payments in the shares of the Barclays PLC. To the extent the share based payment awards relate to services provided by this Company, the relevant cost is reflected in the statement of comprehensive income in accordance with the policy stated below.

The fair value of the services received is measured by reference to the fair value of the shares or share options granted on the date of the grant. The cost of the employee services received in respect of the shares or share options is recognised over the period that the services are received (the vesting period).

The fair value of the options granted is determined using option pricing models, which take into account the exercise price of the option, the current share price, the risk free interest rate, the expected volatility of the Barclays PLC share price over the life of the option and other relevant factors. Except for those which include terms related to market conditions, vesting conditions included in the terms of the grant are not taken into account in estimating fair value.

Non-market vesting conditions are taken into account by adjusting the number of shares or share options included in the measurement of the cost of employee services so that ultimately, the amount recognised in the income statement reflects the number of vested shares or share options. Where vesting conditions are related to market conditions, the charges for the services received are recognised regardless of whether or not the market related vesting condition is met, provided that the non-market vesting conditions are met. Similarly, non-vesting conditions are taken into account in estimating the grant date fair value and share based payment charges are recognised when all non-market vesting conditions are satisfied irrespective of whether the non-vesting conditions are satisfied. If meeting a non-vesting condition is a matter of choice, failure to meet the non-vesting condition is treated as a cancellation, resulting in an acceleration of recognition of the cost of the employee services.

f) Issued equity securities

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.

BARCLAYS PRIVATE BANKING SERVICES LIMITED

Notes To The Financial Statements (continued) For The Year Ended 31 December 2013

4 Summary of significant accounting policies

g) Dividends

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

h) Cash and cash equivalents

For the purposes of the cash flow statement, cash comprises cash in hand, demand deposits and cash equivalents. Cash equivalents comprise highly liquid investments that are convertible into cash with an insignificant risk of changes in value with original maturities of less than three months. Trading balances are not considered to be part of cash equivalents.

4 Revenue

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

5 Interest income and interest expense

Interest income comprises the following:

	2013 £	2012 £
Interest receivable from related parties	-	64
Interest income	-	64

6 Profit before tax

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

	Notes	2013 £	2012 £
Staff costs	7	14,880,124	13,400,804

The audit fees incurred in connection with this Company are paid centrally through Barclays Bank PLC. These fees are not recharged to the Company.

BARCLAYS PRIVATE BANKING SERVICES LIMITED

Notes To The Financial Statements (continued) For The Year Ended 31 December 2013

7 Employees and key management, including Directors

Staff costs comprise of the following:

	2013 £	2012 £
Wages and salaries	5,680,031	6,441,390
Redundancy and restructuring	2,162,820	-
Bonus	4,383,843	5,265,328
National insurance	1,668,611	888,912
Pension	984,819	805,174
Total staff costs	14,880,124	13,400,804

The average number of persons employed during the year, excluding agency staff, was 76 (2012: 84).

Of the bonus amount above, £703,660 (2012: £746,765) relates to share based payments.

Directors' remuneration

The Directors did not receive any emoluments in respect of their services to the Company during the year (2012: £nil). The Company has made no loans, guarantees or other such dealings to its Directors and others during the year. The Directors are considered to be the key management personnel.

No Director exercised options under the Barclays PLC Sharesave scheme and Long Term Incentive schemes (2012: nil).

8 Taxation

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

	2013 £	2012 £
Current tax charge/(credit):		
Current year	(208,136)	(1,557,928)
Adjustment for prior years	1,538,845	-
	1,330,709	(1,557,928)
Deferred tax:		
Current year	186,781	-
Adjustment for prior years	(492,666)	-
	(305,885)	-
Total charge/(credit)	1,024,824	(1,557,928)

BARCLAYS PRIVATE BANKING SERVICES LIMITED

Notes To The Financial Statements (continued) For The Year Ended 31 December 2013

8 Taxation (continued)

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

	2013 £	2012 £
Profit before taxation	-	64
Tax charge at blended UK corporation tax rate of 23.25% (2012: 24.5%)	-	16
Effects of:		
Prior year adjustments	1,046,179	-
Share based payments	(65,706)	(1,557,944)
Change to standard UK corporation tax rate	44,351	-
Overall tax charge/(credit)	1,024,824	(1,557,928)
Effective tax rate %	-%	- %

9 Deferred tax

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

	1 January 2013 £000	Credited to statement of comprehensive income £000	31 December 2013 £000
Assets			
Share based payments	-	305,885	305,885

Deferred taxes are provided in full on temporary differences using the liability method and a principal tax rate of 20% (2012: 23%). In recent years the UK Government has steadily reduced the rate of UK corporation tax, with the latest enacted rate standing at 21% with effect from 1 April 2014 and 20% with effect from 1 April 2015.

Accordingly the closing deferred tax assets and liabilities have been calculated at 20%. The estimated financial effect of this change is insignificant.

10 Current tax assets

Current tax assets are as follows:

	2013 £	2012 £
Group relief receivable	330,099	1,660,808

BARCLAYS PRIVATE BANKING SERVICES LIMITED

Notes To The Financial Statements (continued) For The Year Ended 31 December 2013

11 Trade and other payables

An analysis of trade and other payables is as follows:

	2013 £	2012 £
Other payables	371	371
Due to related parties	1,192	1,192
	<u>1,563</u>	<u>1,563</u>

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

The specific risks to which the Company is exposed in relation to these balances are discussed further in Note 15: Financial risks.

12 Share capital

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

	Number of shares	Ordinary shares £	Total £
At 1 January and 31 December 2012 and 2013	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>

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

13 Retained earnings

Movements in retained earnings are as follows:

	2013 £	2012 £
At 1 January	2,516,304	958,312
Total comprehensive (deficit)/income for the year	<u>(1,024,824)</u>	<u>1,557,992</u>
At 31 December	<u>1,491,480</u>	<u>2,516,304</u>

14 Share based payments

The Barclays PLC Group operates share schemes for employees throughout the world, including the employees of the Company. The current schemes from which the Company's employees benefit are as follows:

Share value plan (SVP)

The SVP was introduced in March 2010 and approved by shareholders (for Executive Director participation and use of new issue shares) at the AGM in April 2011. SVP awards are granted to participants in the form of a conditional right to receive Barclays PLC shares or provisional allocations of Barclays shares which vest or are considered for release over a period of three years in equal annual tranches. Participants do not pay to receive an award or to receive a release of shares. The grantor may also make a dividend equivalent payment to participants on release of a SVP award. SVP awards are also made to eligible employees for recruitment purposes under schedule 1 to the SVP. All awards are subject to potential forfeiture in certain leaver scenarios.

BARCLAYS PRIVATE BANKING SERVICES LIMITED

Notes To The Financial Statements (continued) For The Year Ended 31 December 2013

14 Share based payments (continued)

Executive Share Award Scheme (ESAS)

ESAS awards were granted to participants in the form of a provisional allocation of Barclays PLC shares. The total value of the ESAS award made to the employee was dependent upon the business unit, Group and individual employee performance. The ESAS award must normally be held for at least three years. Additional bonus shares are subsequently awarded to recipients of the provisional allocation and are considered for release upon achieving continued service for three and five years from the date of award. ESAS awards were also made to eligible employees for recruitment purposes under JSAP (Joiners Share Award Plan). All awards are subject to potential forfeiture if the individual resigns and commences work with a competitor business.

Other schemes

In addition to the above schemes, the Group operates a number of other schemes including schemes operated by and settled in the shares of subsidiary undertakings, none of which are individually or in aggregate material in relation to the charge for the year or the dilutive effect of outstanding share options. Included within other schemes are Sharesave (both UK and overseas) and the Barclays Long Term Incentive Plan which was introduced and approved at the AGM in April 2011.

The weighted average fair value per award granted and weighted average share price at the date of exercise/release of shares during the year was:

	Weighted average fair value per award granted in year		Weighted average share price at exercise/release during year	
	2013	2012	2013	2012
	£	£	£	£
SVP ^{a,b}	3.04	2.41	3.04	2.39
ESAS ^{a,c}	3.04	1.69	3.04	2.38
Others ^a	0.81 - 3.08	0.63 - 2.45	2.64 - 3.22	2.14 - 2.45

SVP and ESAS are nil cost awards and nil cost options respectively on which the performance conditions are substantially completed at the date of grant. Consequently the fair value of these awards/options is based on the market value at that date.

Movements in options and awards

Analysis of the movement in the number of options and awards for the major schemes and the weighted average exercise price of options is set out below:

	SVP ^{a,b}		ESAS ^{a,c}		Others ^{a,d}			
	Number		Number		Number		Weighted average ex. Price (£)	
	2013	2012	2013	2012	2013	2012	2013	2012
Outstanding at beginning of year/acquisition date	3,228,236	429,931	190,642	94,682	93,533	70,845	1.70	1.93
Transferred in the year	(32,201)	1,618,433	6,530	565,634	2,053	61,221	-	-
Granted in the year	2,127,163	1,821,841	41,978	75,849	156,629	2,935,153	2.28	1.44
Exercised/released in the year	(1,599,988)	(471,705)	(177,676)	(374,001)	(168,487)	(2,953,371)	2.19	1.47
Forfeited/expired in the year	(16,862)	(170,264)	(52,001)	(181,522)	(23,717)	(20,315)	1.61	1.76
Outstanding at end of year	3,706,348	3,228,236	9,473	190,642	60,011	93,533	1.55	1.70
Of which exercisable:	-	-	-	96,724	-	-	2.52	3.21

Certain of the Group's share option plans enable certain directors and members of staff employees the option to subscribe for new ordinary shares of Barclays PLC.

BARCLAYS PRIVATE BANKING SERVICES LIMITED

Notes To The Financial Statements (continued) For The Year Ended 31 December 2013

14 Share based payments (continued)

The weighted average contractual remaining life and number of options and awards outstanding (including those exercisable) at the balance sheet date are as follows:

	2013		2012	
	Weighted average remaining contractual life in years	Number of options/ awards Outstanding	Weighted average remaining contractual life in years	Number of options/ awards Outstanding
SVP ^{a,b}	1	3,706,348	1	3,228,236
ESAS ^{a,c}	-	9,473	-	190,642
Others ^a	0 - 3	60,011	0 - 4	93,533

There were no significant modifications to the share based payments arrangements in the years 2013, 2012 and 2011.

As at 31 December 2013, the total Barclays PLC liability arising from cash-settled share based payments transactions was £26m (2012: £47m).

Notes:

- a Options/award granted over Barclays PLC shares.
- b Nil cost award and therefore the weighted average exercise price was nil.
- c Nil cost options and therefore there was no weighted average exercise price.
- d The number of awards within others at the end of the year principally relates to ISOP (number of awards exercisable at end of year was 60,011). Per Barclays PLC Group information, the weighted average exercise price relates to Sharesave. The weighted average exercise price for the other schemes was nil.

15 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, Wealth & Investment Management division, 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 2013 and 2012:

	2013	2012
	£	£
Cash and cash equivalents	862,059	862,059
Total maximum exposure at 31 December	862,059	862,059

BARCLAYS PRIVATE BANKING SERVICES LIMITED

Notes To The Financial Statements (continued) For The Year Ended 31 December 2013

15 Financial risks (continued)

(a) Credit risk (continued)

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.

All of the Company's financial assets and liabilities at 31 December 2013 and 2012 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

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.

As the Company's exposure to interest rate risk is limited to the finance income earned on its cash and cash equivalents, no interest rate assumptions requiring sensitivity analysis have been employed in the statement of comprehensive income or equity.

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

Price Risk

Due to the nature of the Company's activities it has no exposure to price risk.

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

BARCLAYS PRIVATE BANKING SERVICES LIMITED

Notes To The Financial Statements (continued) For The Year Ended 31 December 2013

16 Related party transactions (continued)

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

	2013 Parent Company £	2012 Parent Company £
Transactions		
Revenue	14,880,124	13,400,804
Interest received	-	64
Total	<u>14,880,124</u>	<u>13,400,868</u>

Balances outstanding 31 December

Assets	862,059	862,059
Liabilities	<u>(1,192)</u>	<u>(1,192)</u>
Total	<u>860,867</u>	<u>860,867</u>

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

17 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 Statement of Financial Position.

BARCLAYS PRIVATE BANKING SERVICES LIMITED

Notes To The Financial Statements (continued) For The Year Ended 31 December 2013

17 Capital Management (continued)

Total capital is as follows:

	2013 £	2012 £
Share capital	5,000	5,000
Retained earnings	1,491,480	2,516,304
Total capital resources	1,496,480	2,521,304

The Company's capital is independently monitored by the Barclays Assets and Liabilities Committee on behalf of the Directors.

18 Parent undertaking and ultimate holding company

The immediate parent undertaking is Barclays Bank PLC. The ultimate parent undertaking and controlling party is Barclays PLC, a company incorporated in the United Kingdom. Barclays PLC is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2013. The consolidated financial statements of Barclays PLC are available from the Barclays Corporate Secretariat, 1 Churchill Place, London, E14 5HP.