

BMBF (Bluewater Investments) Limited

Report and financial statements
For the period ended 31 December 2014

REGISTERED NUMBER: 3025063



BMBF (Bluewater Investments) Limited
Report and financial statements
For the period ended 31 December 2014

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BMBF (Bluewater Investments) Limited
Directors' report
For the period ended 31 December 2014

The Directors present their report together with the audited financial statements of BMBF (Bluewater Investments) Limited (the 'Company') for the period ended 31 December 2014.

Business review and principal activities

During the prior period the interest in the remaining lease in the Company was sold and the Company ceased to trade on 31 March 2014. The Directors will consider new business opportunities as appropriate.

Results and dividends

During the period the Company achieved results for the period of £nil (period ended 31 March 2014: profit after tax of £74,000).

An interim dividend of £1,500,000 was paid on 7 November 2014 (period ended 31 March 2014: £nil). The Directors do not recommend the payment of a final dividend (period ended 31 March 2014: £nil).

Change in UK corporation tax rate

The main rate of corporation tax was reduced from 23% to 21% on 1 April 2014. A further reduction was substantively enacted in July 2013 reducing the rate to 20% on 1 April 2015.

Change of accounting reference date

The accounting reference date of the Company, which was previously 31 March 2014, has been changed to 31 December 2014 for commercial reasons. These financial statements are prepared for the period from 1 April 2014 to 31 December 2014. The prior period covers the period from 1 January 2013 to 31 March 2014 and hence comparative amounts for the income statement, changes in equity, cash flows and related notes are not comparable.

Directors

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

M. Akram	Resigned 13 March 2015
J. M. Huckle	Resigned 29 August 2014
E. Khairov	Appointed 28 May 2015
J. T. Leather	
G. J. Simpson	

Going concern

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

BMBF (Bluewater Investments) Limited
Directors' report
For the period ended 31 December 2014 (continued)

Statement of Directors' responsibilities

The following statement, which should be read in conjunction with the Auditors' report set out on pages 6 to 7, is made with a view to distinguishing for shareholders the respective responsibilities of the Directors and of the Auditors in relation to the financial statements.

The Directors are required by the Companies Act 2006 to prepare financial statements for each financial period. The Directors have prepared the financial statements in accordance with International Financial Reporting Standards ('IFRS') to present fairly the financial position of the Company and the performance for that period. The Companies Act 2006 provides, in relation to such accounts, that references to accounts giving a true and fair view are references to fair presentation.

The Directors consider that in preparing the financial statements on pages 8 to 25:

- the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates;
- that all the accounting standards which they consider to be applicable have been followed; and
- that the financial statements have been prepared on a going concern basis.

The Directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure the financial statements comply with the Companies Act 2006. 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' on pages 20 to 24.

Directors third party indemnity provisions

Qualifying third party indemnity provisions were in force during the course of the financial period ended 31 December 2014 for the benefit of the then Directors and, at the date of this report, are in force for the benefit of the Directors in relation to certain losses and liabilities which may occur (or have occurred) in connection with their duties, powers or office.

Independent Auditors

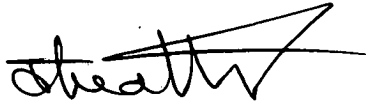
PricewaterhouseCoopers LLP will continue to hold office in accordance with Section 487 of the Companies Act 2006.

BMBF (Bluewater Investments) Limited
Directors' report
For the period ended 31 December 2014 (continued)

Statement of disclosure of information to Auditors

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

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'J.T. Leather', with a long horizontal stroke extending to the right.

J.T. Leather
Director

Date: 18 June 2015

BMBF (Bluewater Investments) Limited
Strategic report
For the period ended 31 December 2014

Review and principal activities

During the prior period the interest in the remaining lease in the Company was sold and the Company ceased to trade on 31 March 2014. The Directors will consider new business opportunities as appropriate.

Business performance

The results of the Company show a result before tax of £nil (period ended 31 March 2014: profit before tax of £124,000) and a result after tax of £nil (period ended 31 March 2014: profit after tax of £74,000) for the period. The Company has net assets of £428,000 (as at 31 March 2014: £1,928,000). Net cash inflow from operating activities for the period was £80,000 (period ended 31 March 2014: £22,001,000).

Future outlook

The Directors consider the Company's balance sheet and cash flow position to be satisfactory and remain confident in the future business outlook.

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks. These risks are more fully explained in note 14 of the financial statements.

Operational risk

Operational risk is the risk of direct or indirect losses resulting from inadequate or failed internal processes or systems, human factors or from external agents.

Business risk

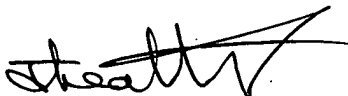
Business risk is the risk of adverse outcomes resulting from a weak competitive position or from poor choice of strategy, markets, products, activities or structures.

The Company is committed to the advanced management of operational and business risks, consistent with the ultimate parent, Barclays PLC.

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 relevant business cluster, which includes the Company, is discussed in the Barclays PLC annual report, which does not form part of this report.

BY ORDER OF THE BOARD



J.T. Leather
Director

Date: 18 June 2015

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF BMBF (BLUEWATER INVESTMENTS) LIMITED

Report on the financial statements

Our opinion

In our opinion, BMBF (Bluewater Investments) Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its result and cash flows for the 9 month period (the "period") 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.

What we have audited

BMBF (Bluewater Investments) Limited's financial statements comprise:

- the balance sheet as at 31 December 2014;
- the income statement for the period then ended;
- the cash flow statement for the period then ended;
- the statement of changes in equity for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and IFRSs as adopted by the European Union.

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

Opinion on other matter prescribed by the Companies Act 2006

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

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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF BMBF (BLUEWATER INVESTMENTS) LIMITED
(continued)**

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("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.

What an audit of financial statements involves

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

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

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

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

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



Drew Haigh (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
19 June 2015

BMBF (Bluewater Investments) Limited
Income statement
For the period ended 31 December 2014

	Notes	Period ended 31 December 2014 £'000	Period ended 31 March 2014 £'000
Continuing operations			
Lease revenue	4	-	354
Interest expense	6	-	(230)
Profit before tax		-	124
Tax	7	-	(50)
Result/Profit after tax		-	74

Result and total comprehensive income for the period was £nil (period ended 31 March 2014: £74,000). There were no items of other comprehensive income.

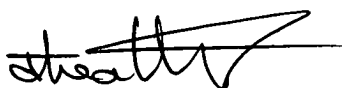
The accompanying notes form an integral part of the financial statements.

BMBF (Bluewater Investments) Limited
Balance sheet
As at 31 December 2014

	Notes	As at 31 December 2014 £'000	As at 31 March 2014 £'000
ASSETS			
Non-current assets			
Deferred tax assets	11	-	-
Total non-current assets		-	-
Current assets			
Finance lease receivables	9	-	-
Amounts due from immediate parent undertaking	10	369	1,789
Group relief receivable		59	162
Total current assets		428	1,951
Total assets		428	1,951
LIABILITIES			
Current liabilities			
Other payables	12	-	(23)
Total current liabilities		-	(23)
Net current assets		428	1,928
Net assets		428	1,928
SHAREHOLDER'S EQUITY			
Called up share capital	13	-	-
Retained earnings		428	1,928
Total shareholder's equity		428	1,928

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 18 June 2015 and were signed on its behalf by:



J.T. Leather
Director

Date: 18 June 2015

BMBF (Bluewater Investments) Limited
Statement of changes in equity
For the period ended 31 December 2014

	Share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 April 2014	-	1,928	1,928
Profit after tax	-	-	-
Dividends paid	-	(1,500)	(1,500)
Balance at 31 December 2014	-	428	428

	Share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2013	-	1,854	1,854
Profit after tax	-	74	74
Balance at 31 March 2014	-	1,928	1,928

BMBF (Bluewater Investments) Limited
Cash flow statement
For the period ended 31 December 2014

	Period ended 31 December 2014 £'000	Period ended 31 March 2014 £'000
Continuing operations		
Reconciliation of profit before tax to net cash flows from operating activities:		
Profit before tax	-	124
Non cash movements on finance lease receivables	-	88
Net decrease in payables	(23)	(43)
Interest expense	-	230
Cash from operating activities	(23)	399
Group relief received/(paid)	103	(72)
Interest paid	-	(230)
Receipt of capital sum	-	21,904
Net cash from operating activities	80	22,001
 Dividends paid	 (1,500)	 -
Financing from immediate parent undertaking	-	(22,049)
Net cash used in financing activities	(1,500)	(22,049)
 Net decrease in cash and cash equivalents	 (1,420)	 (48)
Cash and cash equivalents at beginning of period	1,789	1,837
Cash and cash equivalents at end of period	369	1,789
 Cash and cash equivalent comprise:		
Amounts due from immediate parent undertaking	369	1,789
Cash and cash equivalents at end of period	369	1,789

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

1. Reporting entity

These financial statements are prepared for BMBF (Bluewater Investments) Limited (the 'Company'), the principal activity of which is the provision of leasing to business customers. The financial statements are prepared for the Company only. The Company is a wholly owned subsidiary of Barclays Bank PLC and its ultimate parent company is Barclays PLC, both of which prepare consolidated financial statements in accordance with International Financial Reporting Standards ('IFRS'), 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 Churchill Plaza, Churchill Way, Basingstoke, Hampshire RG21 7GP.

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 IFRS 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.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied.

Basis of preparation

The financial statements have been prepared under the historical cost convention 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.

Critical accounting estimates

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the accounting policies. The notes to the financial statements set out areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the individual financial statements such as tax (note 7) and credit risk (note 14).

Changes in accounting policies, changes in accounting estimates and errors

New and amended standards

The accounting policies adopted are consistent with those of the previous financial year, except where new standards and amendments to IFRS effective as of 1 January 2014 have resulted in changes in accounting policy. The new amended standards have not had a material impact.

3. Summary of significant accounting policies (continued)

Future accounting developments

There have been and are expected to be a number of changes to the Company's financial reporting after 2014 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:

In 2014, the IASB issued IFRS 9, Financial Instruments which will replace IAS 39 Financial Instruments: Recognition and Measurement. It will lead to significant changes in the accounting for financial instruments. The key changes relate to:

- Financial assets. Financial assets will be held at either fair value or amortised cost, except for equity investments not held for trading and certain debt instruments, which may be held at fair value through other comprehensive income;
- Financial liabilities. Gains and losses arising from changes in own credit on non-derivative financial liabilities designated at fair value through profit or loss will be excluded from the Income Statement and instead taken to other comprehensive income;
- Impairment. Credit losses expected at the balance sheet date (rather than only losses incurred in the period) on loans, debt securities and loan commitments not held at fair value through profit or loss will be reflected in impairment allowances; and
- Hedge accounting. Hedge accounting will be more closely aligned with financial risk management.

Adoption is not mandatory until periods beginning on or after 1 January 2018. The standard has not been endorsed by the EU. The expected impact of the standard is not expected to be significant.

In addition, the IASB has indicated that it will issue a new standard on accounting for leases. Under the proposals, lessees would be required to recognise assets and liabilities arising from both operating and finance leases on the balance sheet. The IASB also plans to issue a new standard on insurance contracts. The Company will consider the financial impacts of these new standards as they are finalised.

(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 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.

In calculating effective interest, the Company estimates cash flows (using projections based on its experience of customers' behaviour) considering all contractual terms of the financial instrument but excluding future credit losses. Fees, including those for early redemption, are included in the calculation to the extent that they can be measured and are considered to be an integral part of the effective interest rate. Cash flows arising from the direct and incremental costs of issuing financial instruments are also taken into account in the calculation. Where it is not possible to otherwise estimate reliably the cash flows or the expected life of a financial instrument, effective interest is calculated by reference to the payments or receipts specified in the contract, and the full contractual term.

3. Summary of significant accounting policies (continued)

(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 period or prior period 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.

(c) Financial assets and liabilities

The Company recognises financial instruments from the contract date, and continues to recognise them until, in the case of assets, the rights to receive cash flows have expired or the Company has transferred substantially all the risks and rewards of ownership, or in the case of liabilities, until the liability has been settled, extinguished or has expired.

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 3 (a)). 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.

3. Summary of significant accounting policies (continued)

(c) Financial assets and liabilities (continued)

Financial liabilities

Financial liabilities are measured at amortised cost, except for trading liabilities and liabilities designated at fair value, which are held at fair value through profit or loss (see above). 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 bid value in an active market wherever possible. Where no such active market exists for the particular asset, the Company uses a valuation technique to arrive at the fair value, including the use of prices obtained in recent arms' length transactions, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants.

Impairment of financial assets

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a portfolio of financial assets, including trade receivables, is impaired. The factors that the Company takes into account include significant financial difficulties of the debtor or the issuer, a breach of contract or default in payments, the granting by the Company of a concession to the debtor because of a deterioration in its financial condition, the probability that the debtor will enter into bankruptcy or other financial reorganisation; or, in the disappearance of an active market for a security because of the issuer's financial difficulties.

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

The Company first assesses whether objective evidence of impairment exists individually for individually significant financial assets and then collectively assesses remaining financial assets that are not individually significant. In addition, portfolios of financial assets with similar credit risk characteristics are also collectively assessed.

Impairment allowances are calculated, based on the difference between the carrying amount of the asset and its estimated recoverable amount, calculated by reference to the expected cash flows from it discounted at the original effective interest rate for the asset.

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 and there is an intention to settle on a net basis, or to realise an asset and settle the liability simultaneously.

3. Summary of significant accounting policies (continued)

(d) 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.

(e) Borrowing costs

The Company does not capitalise borrowing costs.

(f) Leases

Assets leased to customers under agreements, which transfer substantially all the risks and rewards of ownership, with or without ultimate legal title, are classified as finance leases. When assets are held subject to a finance lease, the present value of the lease payments, discounted at the rate of interest implicit in the lease, is recognised as a receivable. The difference between the total payments receivable under the lease and the present value of the receivable is recognised as unearned finance income, which is allocated to accounting periods under the pre-tax net investment method to reflect a constant periodic rate of return. Where there is a change in the lease cash flow assumptions, for example as a result of a change in the corporation tax rate, the resultant change in the current period lease receivable balance is recognised in the current period income statement within lease revenue.

Renewal rental income earned on the secondary rental period is recognised as lease revenue on a receivable basis.

Disposal profits and/or losses, if they arise, are included in lease revenue.

BMBF (Bluewater Investments) Limited
Notes to the financial statements
For the period ended 31 December 2014 (continued)

4. Lease revenue

Lease revenue represents income from agreements entered into relating to leased assets, instalment credit and other financial facilities. Income is calculated in accordance with note 3 (f). The sole market supplied was the United Kingdom.

Lease revenue is arrived at after taking into account:

	Period ended 31 December 2014 £'000	Period ended 31 March 2014 £'000
Impairment of finance lease receivables	-	250

5. Administrative expense

The Company has no full time employees (period ended 31 March 2014: none). Administrative expenses of the Company are borne by Barclays Mercantile Business Finance Limited, a fellow subsidiary undertaking, and relevant employee remuneration is disclosed in that company's financial statements. Audit fees of £3,000 (period ended 31 March 2014: £8,000), are borne by Barclays Bank PLC.

The Directors did not receive any remuneration from the Company and no contributions were made, by the Company, under defined benefit or defined contribution pension schemes, on their behalf (period ended 31 March 2014: £nil). The services of the Directors are considered to be insignificant in relation to their overall management responsibility relating to the Barclays Mercantile Business Finance group.

During the year, 1 (2013: 0) Director exercised options under the Barclays PLC Sharesave Scheme and Long Term Incentive schemes.

BMBF (Bluewater Investments) Limited
Notes to the financial statements
For the period ended 31 December 2014 (continued)

6. Interest expense

Interest expense comprises the following:

	Period ended 31 December 2014 £'000	Period ended 31 March 2014 £'000
Interest expense		
Immediate parent undertaking	-	(230)
Total interest expense	-	(230)

Finance expense is that specifically associated with the funding of leased assets.

7. Tax

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

	Period ended 31 December 2014 £'000	Period ended 31 March 2014 £'000
Current tax:		
Group relief receivable	-	65
Deferred tax:		
Origination and reversal of temporary differences	-	(115)
Total charge	-	(50)

The effective rate of tax is nil% (period ended 31 March 2014: 41%). The decrease in the rate from last year is owing to there being no trading activity during the current period.

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

	Period ended 31 December 2014 £'000	Period ended 31 March 2014 £'000
Profit before tax	-	124
Tax charge at a blended UK corporation tax rate of 21% (period ended 31 March 2014: 23.2%)	-	(28)
Group relief adjustment	-	(4)
Depreciation on assets non-qualifying for tax relief	-	40
Fair value impairment	-	(58)
Overall tax charge	-	(50)
Effective tax rate %	-	41%

8. Dividends on ordinary shares

An analysis of dividends paid is as follows:

	Period ended 31 December 2014 £'000	Period ended 31 March 2014 £'000
Interim paid £15,000 (period ended 31 March 2014: £nil) per share	1,500	-

9. Finance lease receivables

The Company is a lessor under finance leases, providing asset financing for its customers. During the prior period the interest in the remaining lease in the Company was sold.

10. Amounts due from immediate parent undertaking

The amounts due from the immediate parent company have no fixed maturity date and are unsecured, these amounts bear no interest. The Company has the financial support of its parent, Barclay Bank PLC (see note 14).

The fair value of borrowings is disclosed in note 15.

11. Deferred tax

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

	Accelerated tax depreciation £'000	Rental apportion- ment £'000	Fair value impairment £'000	Total £'000
Assets	-	-	-	-
Liabilities	-	-	-	-
At 1 April 2014 and 31 December 2014	-	-	-	-
	Accelerated tax depreciation £'000	Rental apportion- ment £'000	Fair value impairment £'000	Total £'000
Assets	45	12	58	115
Liabilities	-	-	-	-
At 1 January 2013	45	12	58	115
Income statement charge	(45)	(12)	(58)	(115)
	-	-	-	-
Assets	-	-	-	-
Liabilities	-	-	-	-
At 31 March 2014	-	-	-	-

Deferred income taxes are provided in full on temporary differences under the liability method using a principal tax rate of 20% (period ended 31 March 2014: 20%).

The amount of deferred tax liability expected to be settled after more than 12 months is £nil (period ended 31 March 2014: £nil).

The amount of deferred tax asset expected to be recovered after more than 12 months is £nil (period ended 31 March 2014: £nil).

12. Other payables

Other payables have no fixed maturity date, are unsecured and are non-interest bearing.

Their fair value is disclosed in note 15.

13. Share capital

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

	Number of Shares	Ordinary shares £
At 1 April 2014 and 31 December 2014	100	100

14. Financial risks

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

Credit risk

Credit risk is the risk that the Company's customers or counterparties will not be able or willing to pay interest, repay capital or otherwise to fulfil their contractual obligations in relation to the Company's financial assets.

The Company uses statistical modelling techniques in its credit rating system. These systems assist the Company in credit decisions on new commitments and in managing the portfolio of existing exposures. They enable the application of consistent risk measurement across all credit exposures. The key building blocks in the measurement system are the probability of customer default ('PD') (expressed through an internal risk rating), exposure at default ('EAD') and severity of loss-given-default ('LGD').

The Company assesses the credit quality and assigns an internal risk rating to all borrowers and other counterparties. Each internal rating corresponds to the statistical probability of a customer in that rating class defaulting within the next 12 month period. Exposure at default represents the expected level of utilisation of the credit facility when default occurs. At default the customer may not have drawn the loan/lease fully or may have already paid some of the principal, so that exposure is typically less than the approved loan limit.

When a customer defaults, much of the outstanding loan/lease is usually recovered. The part that is not recovered, the actual loss, is the LGD. The three components above, PD, EAD, and LGD, are used to calculate the expected loss.

Credit exposures are actively managed, where weaknesses are detected action is taken to mitigate the risks. These include steps to reduce the amounts outstanding or the sale of assets. In addition, to mitigate the risk, security may be taken for funds advanced.

14. Financial risks (continued)

Credit risk (continued)

The Company's principal financial assets are amounts due from the immediate parent, which represent the entity's maximum exposure to credit risk in relation to financial assets.

Collateral can be an important mitigant of credit risk. For amounts due from the immediate parent undertaking, the Company has the financial support of Barclays Bank PLC.

Maximum exposure to credit risk

Whilst the Company's maximum exposure to credit risk is the carrying value of the assets, the likely exposure is far less due to the collateral and credit risk mitigants described in the section above. The analysis presented below shows the financial effects of these mitigants.

As at 31 December 2014	Total Exposure £'000	Total collateral and other enhancements £'000
Amounts due from immediate parent undertaking	369	-
Total maximum exposure at 31 December	369	-

As at 31 March 2014	Total Exposure £'000	Total collateral and other enhancements £'000
Amounts due from immediate parent undertaking	1,789	-
Total maximum exposure at 31 March	1,789	-

Financial assets subject to credit risk

For the purposes of the Company's disclosures regarding credit quality, financial assets subject to credit risk have been analysed as follows:

	Note	31 December 2014 Amounts due from immediate parent £'000	Total £'000
As at 31 December			
Neither past due nor impaired	(a)	369	369
Total		369	369
Impairment allowance		-	-
Total carrying amount		369	369

14. Financial risks (continued)

Credit risk (continued)

Financial assets subject to credit risk (continued)

	Note	31 March 2014 Amounts due from immediate parent £'000	Total £'000
As at 31 December			
Neither past due nor impaired	(a)	1,789	1,789
Total		1,789	1,789
Impairment allowance		-	-
Total carrying amount		1,789	1,789

(a) Financial assets neither past due nor impaired

Financial assets neither past due nor impaired can be analysed according to the rating systems used by the Company when assessing customers and counterparties. The credit quality of financial assets subject to credit that were neither past due nor impaired, based on credit rating, was as follows:

	31 December 2014 Strong £'000	31 March 2014 Strong £'000
Amounts due from immediate parent	369	1,789
Total financial assets subject to credit risk neither past due nor impaired	369	1,789

Strong indicates there is a very high likelihood of the asset being recovered in full.

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 and foreign exchange rates.

Interest rate risk

Interest rate risk is the risk that changes in interest rates will result in higher financing costs and/or reduced income from the Company's interest bearing financial assets and liabilities. The amounts due from the immediate parent company bear no interest in the current period.

14. Financial risks (continued)

Interest rate risk (continued)

Liquidity risk

Liquidity risk is the risk that the Company's cash and committed facilities may be insufficient to meet its payment obligations as they fall due. The Company has the financial support of its parent, Barclays Bank PLC, which is designed to ensure the Company has sufficient available funds for operations and planned expansion.

Contractual maturity of financial assets and financial liabilities

Details of contractual maturities for assets and liabilities form an important source of information for the management of liquidity risk. The table below provides detail on the contractual maturity of all financial instruments.

As all financial liabilities are either on demand or are short-term in nature, the amounts disclosed in the table for financial liabilities represent both the contractual discounted and undiscounted cash flows (i.e. nominal values).

	On demand	<1 year	1-5 years	>5 years	Total 31 December 2014
	£'000	£'000	£'000	£'000	£'000
Assets					
Amounts due from immediate parent	369	-	-	-	369
Total	369	-	-	-	369
 Contractual maturity gap	 369	 -	 -	 -	
Cumulative contractual maturity gap	369	369	369	369	

14. Financial risks (continued)

Contractual maturity of financial assets and financial liabilities (continued)

	On demand	<1 year	1-5 years	>5 years	Total 31 March 2014
	£'000	£'000	£'000	£'000	£'000
<i>Assets</i>					
Amounts due from immediate parent	1,789	-	-	-	1,789
Total	1,789	-	-	-	1,789
<i>Liabilities</i>					
Amounts due to immediate parent	-	-	-	-	-
Other payables	-	-	-	-	-
Total	1,789	-	-	-	1,789
Contractual maturity gap	1,789	-	-	-	
Cumulative contractual maturity gap	1,789	1,789	1,789	1,789	

15. Fair value of financial instruments

The fair value of an asset or liability is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

For all financial assets and liabilities the fair value approximates carrying value due to the short-term nature of these financial assets and liabilities.

16. Offsetting financial assets and financial liabilities

In accordance with IAS 32 Financial Instruments: Presentation, the Company reports financial assets and financial liabilities on a net basis on the balance sheet only if there is a legally enforceable right to set off the recognised amounts in all circumstances and there is intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. The Company does not currently hold any financial assets and liabilities that are impacted by netting arrangements.

17. 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. The Company, which is a wholly owned subsidiary and is consolidated within the financial statements of Barclays PLC (see note 19), has disclosed transactions with related parties which are members of the Barclays Group in notes 5, 6, 7 and 10.

18. Capital management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern. 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:

	As at 31 December 2014 £'000	As at 31 March 2014 £'000
Called up share capital	-	-
Retained earnings	428	1,928
Total capital resources	428	1,928

In order to maintain or adjust the capital structure, the Company may limit the payment of dividends to shareholders, return capital to shareholders or issue new shares.

19. Parent undertaking and ultimate holding company

The parent of the Company is Barclays Group Holdings Limited. The parent undertaking of the smallest group that presents consolidated financial statements is Barclays Bank PLC. The ultimate holding company and the parent company of the largest group that presents group financial statements is Barclays PLC. Both companies are incorporated in the United Kingdom and registered in England. Barclays Bank PLC's and Barclays PLC's statutory financial statements are available from Barclays Corporate Secretariat, 1 Churchill Place, London E14 5HP.