

B D & B INVESTMENTS LIMITED

**Directors' Report and Financial Statements
For the year ended 30 November 2017**

REGISTERED NUMBER IN ENGLAND AND WALES: 2955740



B D & B INVESTMENTS LIMITED

Registered Number in England & Wales: 2955740

Report and financial statements

For the year ended 30 November 2017

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B D & B INVESTMENTS LIMITED

Registered Number in England & Wales: 2955740

DIRECTORS' REPORT

For the year ended 30 November 2017

The Directors present their annual report together with the audited financial statements of B D & B Investments Limited (the "Company") for the year ended 30 November 2017.

Profits and dividends

During the year the Company made a loss after tax of £2 (2016 : profit after tax £3,374). During the year no interim dividend was paid and the directors do not recommend the payment of a final dividend (2016: £3,134,681).

Directors

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

E J Sherwood
J M Walthoe
C P Le Neve Foster
V Shah

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

Statement of Directors' Responsibilities

The following statement, which should be read in conjunction with the Auditor's report set out on pages 4 and 5 is made with a view to distinguishing for shareholders the respective responsibilities of the Directors and of the Auditor in relation to the accounts.

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

The Directors consider that in preparing the financial statements on pages 6 to 28:

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

B D & B INVESTMENTS LIMITED

Registered Number in England & Wales: 2955740

DIRECTORS' REPORT (continued)

For the year ended 30 November 2017

The Directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial risk management

The Company's activities are exposed to a variety of financial risks. The Company is required to follow the requirements of the Group risk management policies, which include specific guidelines on the management of foreign exchange, interest rate and credit risks, and advice on the use of financial instruments to manage them. The main financial risks that the Company is exposed to are outlined in Note 16.

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 30 November 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 Auditors

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 auditors

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

Director

Name: **VISHAL SHAH**

Date: **31/7/18**

1 Churchill Place, London, E14 5HP

B D & B INVESTMENTS LIMITED

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STRATEGIC REPORT

For the year ended 30 November 2017

Review and principal activities

The principal activity of B D & B Investments Limited (the "Company") is to act as an investment holding company. No significant change in this activity is envisaged in the foreseeable future and the Directors expect the company's performance to be in line with the current year.

Business performance

The results of the Company show a loss after tax of £2 (2016: profit after tax £3,374). The Company has net assets of £99,615 as at 30 November 2017 (2016: £99,617).

Future outlook

The Directors have reviewed the Company's business and performance and consider it to be satisfactory for the year. The Directors consider that the Company's position at the end of the year is consistent with the size and complexity of the business. The Directors will continue to monitor the performance of the Company and take appropriate action as necessary.

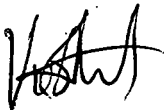
Principal risks and uncertainties

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 'Risk Review' section of Barclays PLC annual report which does not form part of this report.

Key performance indicators

The Directors of Barclays PLC manage the group's operations on a business cluster basis. For this reason, the Company's Directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The development, performance and position of the Barclays PLC, is discussed on the 'Strategic Report' section of Barclays PLC 2017 annual report which does not form part of this report.

FOR AND ON BEHALF OF THE BOARD



Date 21/7/18

Director

Name: VISHAL SHAM

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF B D & B INVESTMENTS LIMITED

Opinion

We have audited the financial statements of B D & B Investments Limited ("the company") for the year ended 30 November 2017 which comprise the Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, and related notes, including the accounting policies in note 4.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2017 and of its loss 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.

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. They are also responsible for being satisfied that financial statements 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.



Namrata Basker (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
Date: 8/7/18

B D & B INVESTMENTS LIMITED
Registered Number in England & Wales: 2955740

INCOME STATEMENT
FOR THE YEAR ENDED 30 NOVEMBER 2017

	Note	Year ended 30 November 2017 £	Year ended 30 November 2016 £
Interest income	5	-	4,233
Interest expense	6	(2)	(9)
Net interest expense		<u>(2)</u>	<u>4,224</u>
Loss before tax	7	<u>(2)</u>	<u>4,224</u>
Tax	9	-	(850)
Loss after tax		<u>(2)</u>	<u>3,374</u>

Profit 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 D & B INVESTMENTS LIMITED

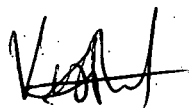
Registered Number in England & Wales: 2955740

BALANCE SHEET AS AT 30 NOVEMBER 2017

	Note	30 November 2017	30 November 2016
		£	£
Assets			
Non-current assets			
Investment in subsidiary	11	100,000	100,000
Total non-current assets		100,000	100,000
Current assets			
Cash and cash equivalents		10,376	523
Current tax assets	12	-	97
Total current assets		10,376	620
TOTAL ASSETS		110,376	100,620
Liabilities			
Current liabilities			
Current tax liabilities	13	(10,761)	-
Borrowings	14	-	(1,003)
Total current liabilities		(10,761)	(1,003)
Net current liabilities		(385)	(383)
NET ASSETS		99,615	99,617
SHAREHOLDERS' EQUITY			
Called up share capital	15	1	1
Retained earnings		99,614	99,616
TOTAL SHAREHOLDERS' EQUITY		99,615	99,617

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

The financial statements from pages 6 to 28 were approved by the Board of Directors and authorised for issue on 30 July 2018 and were signed on its behalf by:



Director

Name: **VISHAL SHAH**Date: **31/7/18**

B D & B INVESTMENTS LIMITED

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**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 NOVEMBER 2017**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 December 2016	1	99,616	99,617
Loss after tax	-	(2)	(2)
Balance at 30 November 2017	1	99,614	99,615

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 December 2015	31,686,589	3,230,923	34,917,512
Profit after tax	-	3,374	3,374
Reduction of Share capital	(31,686,588)	-	(31,686,588)
Dividends paid	-	(3,134,681)	(3,134,681)
Balance at 30 November 2016	1	99,616	99,617

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

B D & B INVESTMENTS LIMITED

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CASH FLOW STATEMENT FOR THE YEAR ENDED 30 NOVEMBER 2017

	Note	Year ended 30 November 2017 £	Year ended 30 November 2016 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Reconciliation of profit before tax to net cash flows from operating activities			
Loss before tax		(2)	4,224
Changes in operating assets and liabilities			
Decrease in loans and advances		-	33,727,873
Decrease in borrowings	14	(1,003)	1,003
Tax received/(paid)		10,858	(22,102)
Net cash from operating activities		9,853	33,710,998
CASH FLOWS FROM FINANCING ACTIVITIES			
Redemption of ordinary shares to Kirsche Investments Limited		-	(31,686,588)
Dividends paid		-	(3,134,681)
Net cash used in financing activities		-	(34,821,269)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		9,853	(1,110,271)
Cash and cash equivalents at 1 December		523	1,110,794
CASH AND CASH EQUIVALENTS AT 30 NOVEMBER		10,376	523
CASH AND CASH EQUIVALENTS COMPRISE:			
Cash in bank		10,376	523

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

B D & B INVESTMENTS LIMITED

Registered Number in England & Wales: 2955740

NOTES TO THE FINANCIAL STATEMENTS

1. REPORTING ENTITY

These financial statements are prepared for B D & B Investments Limited (the Company), the principal activity of which is to act as an investment 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 England and Wales. The Company's registered office 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 issued by the International Financial Reporting Interpretations Committee ("IFRIC"), as published by the International Accounting Standards Board ("IASB"). They are also in accordance with the IFRSs and IFRIC interpretations as adopted by the European Union. The principal accounting policies applied in the preparation of the financial statements are set out below, and in the relevant notes to the financial statements. These policies have been consistently applied.

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 Pound Sterling (GBP), 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 policies have been consistently applied.

Revenue recognition

Revenue is recognised in the income statement when it is probable that the economic benefits associated with the transaction will be received by the Company. Revenue is reported at the fair value of the consideration received or receivable.

B D & B INVESTMENTS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS (continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 recognized in the income statement.

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.

Interest

Interest income or expense is recognised on all interest bearing financial instruments classified as held to maturity, available for sale or other loans and advances, 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.

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 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.

B D & B INVESTMENTS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS (continued)

4: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents

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.

Financial assets & Liabilities

The Company recognises financial instruments from the 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:

a. 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. 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. Available for sale

Available for sale investments are non-derivative financial investments that have been designated as available for sale and are not categorised into any of the other categories described above. They are initially recognised at fair value including direct and incremental transaction costs. They are subsequently held at fair value, and gains and losses arising from changes in fair value are included as a separate component of equity until sale when the cumulative gain or loss is transferred to the income statement. The assets are derecognised when the rights to receive cash flows have expired of the Company has transferred substantially all the risks and rewards of ownership.

Impairment losses, investment income, and translation differences on monetary items are recognised in the income statement.

Regular way purchases and sales of available for sale financial instruments are recognised on trade date, being the date on which the Company commits to purchase or sell the asset.

c. 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, which are held at fair value through profit or loss. Financial liabilities are derecognised when extinguished.

B D & B INVESTMENTS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS (continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Impairment of financial assets

The Company assesses at each balance sheet date whether there is objective evidence that loans and receivables or available for sale financial investments 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.

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.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e. Borrowings

Borrowings entered into by the Company are recognised as a liability when a contractual agreement results in the Company having a present obligation to deliver cash or another financial asset to the holder. The liability is initially recognised at fair value and amortised to the redemption value using the effective rate of interest over the life of the instrument. Borrowing costs are charged as an expense to the income statement in the period in which they are incurred.

Share capital

Share capital classified as equity, provided that there is no present obligation to deliver cash or another financial asset to the holder, is shown in called up share capital, and the costs associated with the issuance of shares are recorded as a deduction from equity.

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.

Critical accounting estimates and judgments

The preparation of financial statements in accordance with IFRS requires the use of estimates. It also requires management to exercise judgement in applying the accounting policies. The key areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the consolidated and individual financial statements are highlighted under the relevant note.

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 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.

Future accounting developments

There are expected to be a number of significant 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 9 Financial Instruments

IFRS 9 Financial Instruments (IFRS 9) which 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. Barclays 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 IFRS 7. The key changes relate to:

B D & B INVESTMENTS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS (continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment:

IFRS 9 introduces a revised impairment model which requires entities to recognise expected credit losses based on unbiased forward-looking information. This replaces the IAS 39 incurred loss model which only recognised impairment if there is objective evidence that a loss has already been incurred and would measure the loss at the most probable outcome. The IFRS 9 impairment model is applicable to all financial assets at amortised cost, lease receivables, debt financial assets at fair value through other comprehensive income, loan commitments and financial guarantee contracts. This contrasts to the IAS 39 impairment model which was not applicable to loan commitments and financial guarantee contracts, which were covered by IAS 37. In addition, IAS 39 required the impairment of available for sale debt to be based on the fair value loss rather than estimated future cashflows as for amortised cost assets. Intercompany exposures, including loan commitments and financial guarantee contracts, are also in scope under IFRS 9 in the stand-alone reporting entity accounts.

The measurement of expected credit loss involves increased complexity and judgement, including estimation of probabilities of default, loss given default, a range of unbiased future economic scenarios, estimation of expected lives, and estimation of exposures at default and assessing significant increases in credit risk. It is expected to have a material financial impact and impairment charges will tend to be more volatile. Unsecured products with longer expected lives, such as revolving credit cards, are the most impacted.

Key concepts and management judgements

The impairment requirements are complex and require management judgements, estimates and assumptions. Key concepts and management judgements include:

Determining a significant increase in credit risk since initial recognition

IFRS 9 requires the recognition of 12 month expected credit losses (the portion of lifetime expected credit losses from default events that are expected within 12 months of the reporting date) if credit risk has not significantly increased since initial recognition (stage 1), and lifetime expected credit losses for financial instruments for which the credit risk has increased significantly since initial recognition (stage 2) or which are credit impaired (stage 3). Barclays will assess when a significant increase in credit risk has occurred based on quantitative and qualitative assessments. Exposures are considered to have resulted in a significant increase in credit risk and are moved to stage 2 when:

Quantitative Test

The annualised cumulative weighted average lifetime probability of default (PD) has increased by more than the agreed threshold relative to the equivalent at origination.

The relative thresholds are defined as percentage increases and set at an origination score band and segment level.

Qualitative Test

Accounts that meet the portfolio's 'high risk' criteria and are subject to closer credit monitoring.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Backstop Criteria

Accounts that are 30 calendar days or more past due. The 30 days past due criteria is a backstop rather than a primary driver of moving exposures into stage 2.

Exposures will move back to stage 1 once they no longer meet the criteria for a significant increase in credit risk and when any cure criteria used for credit risk management are met. This is subject to all payments being up to date and the customer evidencing ability and willingness to maintain future payments.

Barclays will not rely on the low credit risk exemption which would assume facilities of investment grade are not significantly deteriorated.

Determining the probability of default at initial recognition is expected to require management estimates, in particular for exposures issued before the effective date of IFRS 9. For certain revolving facilities such as credit cards and overdrafts, this is expected to be when the facility was first entered into which could be a long time in the past.

Definition of default, credit impaired assets, write offs, and interest income recognition

The definition of default for the purpose of determining expected credit losses has been aligned to the Regulatory Capital CRR Article 178 definition of default, which considers indicators that the debtor is unlikely to pay, includes exposures in forbearance and is no later than when the exposure is more than 90 days past due or 180 days past due in the case of UK mortgages. When exposures are identified as credit impaired or purchased or originated as such, IFRS 9 requires separate disclosure and interest income is required to be calculated on the carrying value net of the impairment allowance.

Credit impaired is expected to be when the exposure has defaulted which is also anticipated to align to when an exposure is identified as individually impaired under the incurred loss model of IAS 39. Write-off policies are not expected to change from IAS 39.

Expected life

Lifetime expected credit losses must be measured over the expected life. This is restricted to the maximum contractual life and takes into account expected prepayment, extension, call and similar options. The exceptions are certain revolver financial instruments, such as credit cards and bank overdrafts, that include both a drawn and an undrawn component where the entity's contractual ability to demand repayment and cancel the undrawn commitment does not limit the entity's exposure to credit losses to the contractual notice period.

Discounting

Expected credit losses are discounted at the effective interest rate (EIR) at initial recognition or an approximation thereof and consistent with income recognition.

For variable/floating rate financial assets, the spot rate at the reporting date is used and projections of changes in the variable rate over the expected life are not made to estimate future interest cashflows or for discounting.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Modelling techniques

Expected credit losses (ECL) are calculated by multiplying three main components, being the probability of default (PD), loss given default (LGD) and the exposure at default (EAD), discounted at the original effective interest rate.

Management adjustments will be made to modelled output to account for situations where known or expected risk factors and information have not been considered in the modelling process, for example forecast economic scenarios for uncertain political events.

ECL is measured at the individual financial instrument level, however a collective approach where financial instruments with similar risk characteristics are grouped together, with apportionment to individual financial instruments, is used where effects can only be seen at a collective level, for example for forward looking information.

For the IFRS 9 impairment assessment, Barclays Risk Models are used to determine the probability of default (PD), loss given default (LGD) and exposure at default (EAD). For stage 2 and 3, Barclays applies lifetime PDs but uses 12 month PDs for stage 1. The ECL drivers of PD, EAD and LGD are modelled at an account level which considers vintage, among other credit factors. Also, the assessment of significant increase in credit risk is based on the initial lifetime PD curve, which accounts for the different credit risk underwritten over time.

Project governance and credit risk management

Barclays has a jointly accountable risk and finance implementation and governance programme with representation from all impacted departments. The new impairment committee structures were initiated and tested from H1 2017, providing oversight for both IAS 39 and IFRS 9 impairment results. At the start of the impairment reporting process every quarter, the Senior Scenario Review Committee reviews and approves the scenario narratives and associated probability weightings, as well as the core set of macroeconomic variables and any scenario specific management overlays. The Senior Scenario Review Committee attest that the scenarios adequately account for the nonlinearity and asymmetry of the loss of distribution. Subsequently, there are two further layers of impairment committees. In addition to the existing Group Risk and Group Finance level committees, there are also Legal Entity committees for Barclays UK and Barclays International. Group Risk and Group Finance Committees are attended by the Chief Risk Officer (CRO) and Chief Finance Officer (CFO) respectively, with joint accountability by both CRO and CFO for signing off the results. Reported results and key messages are communicated to the Board Audit Committee and Risk Executive Committee, who have oversight roles and provide challenge of key assumptions, including the basis of the scenarios adopted.

Classification and measurement

IFRS 9 requires financial assets to be classified on the basis of two criteria:

- 1) the business model within which financial assets are managed, and
- 2) their contractual cash flow characteristics (whether the cash flows represent 'solely payments of principal and interest').

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NOTES TO THE FINANCIAL STATEMENTS (continued)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets will be measured at amortised cost if they are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and their contractual cash flows represent solely payments of principal and interest.

Financial assets will be measured at fair value through other comprehensive income if they are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and their contractual cash flows represent solely payments of principal and interest.

Other financial assets are measured at fair value through profit and loss. There is an option to make an irrevocable election for non traded equity investments to be measured at fair value through other comprehensive income, in which case dividends are recognised in profit or loss, but gains or losses are not reclassified to profit or loss upon derecognition, and impairment is not recognised in the income statement.

IFRS 9 is applied retrospectively, although comparatives are not restated, with adjustments arising from classification and measurement changes recognised in opening equity.

Barclays' Classification and Measurement implementation programme has progressed in 2017 and an assessment of potential changes to financial assets has been conducted, including an assessment of business models across various portfolios, and a review of contractual cash flow features for material financial assets.

On 12 October 2017, the IASB published an amendment to IFRS 9, relating to prepayment features with negative compensation; this amendment is effective from 1 January 2018, however has yet to be endorsed by the EU. This amendment allows financial assets with such features to be measured at amortised cost or fair value through other comprehensive income provided the SPPI (solely payments of principal and interest) criteria in IFRS 9 are otherwise met. In addition the amendment to IFRS 9 clarifies that a financial asset passes the SPPI criterion regardless of the event or circumstance that cause the early termination of the contract, and irrespective of which party pays or receives reasonable compensation for the early termination of the contract. There is not expected to be a material impact on the Company's financial statements arising from this amendment.

Expected impact

The Company is assessing the potential impact on its financial statements and plan to adopt the new standard on the required effective date.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

5. INTEREST INCOME

	Year ended 30 November 2017	Year ended 30 November 2016
	£	£
Interest income from group undertakings	-	4,233
	<u>-</u>	<u>4,233</u>

6. INTEREST EXPENSE

	Year ended 30 November 2017	Year ended 30 November 2016
	£	£
Interest expense to group undertakings	(2)	(9)
	<u>(2)</u>	<u>(9)</u>

7. PROFIT/(LOSS) BEFORE TAX

The audit fee is borne by Barclays Bank PLC. Although the audit fee is borne by Barclays Bank PLC, the fee that would have been charged to the Company amounts to £6,500 (2016: £6,700) for the year. This fee is not recognised as an expense in the financial statements.

8. EMPLOYEES AND KEY MANAGEMENT, INCLUDING DIRECTORS

(i) STAFF COSTS

There were no employees employed by the Company during 2017 or 2016.

(ii) REMUNERATION OF KEY MANAGEMENT PERSONNEL, INCLUDING DIRECTORS

The Directors did not receive any emoluments in respect of their services to the Company during the year (2016: nil).

During the year, no Director exercised options under the Barclays PLC Sharesave Scheme and Long Term Incentive schemes (2016: Nil).

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NOTES TO THE FINANCIAL STATEMENTS (continued)**9. TAX**

	Year ended 30 November 2017	Year ended 30 November 2016
	£	£
UK corporation tax	-	(845)
Prior year adjustment	-	(5)
	<u>-</u>	<u>(850)</u>

The UK corporation tax charge is based on the blended UK corporation tax rate of 19.33% (2016: 20%). The rate of corporation tax has been reduced from 20% to 19% from 1 April 2017 and legislation has been introduced to reduce the main rate of UK corporation tax to 17% from 1 April 2020.

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

The analysis of the tax for the year is as follows:	Year ended 30 November 2017	Year ended 30 November 2016
	£	£
Loss before tax	(2)	4,224
Loss before tax multiplied by the blended rate of corporation tax in the UK of 19.33% (2016: 20%)	-	(845)
Effects of: Prior year adjustment	-	(5)
	<u>-</u>	<u>(850)</u>

10. DIVIDENDS PAID

	Year ended 30 November 2017	Year ended 30 November 2016
	£	£
Ordinary dividends paid	-	(3,134,681)
	<u>-</u>	<u>(3,134,681)</u>

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NOTES TO THE FINANCIAL STATEMENTS (continued)

11. INVESTMENT IN SUBSIDIARY

	30 November 2017 £	30 November 2016 £
Equity investments	100,000	100,000
	<u>100,000</u>	<u>100,000</u>

Name of subsidiary	Registered Office Address	Country of incorporation	Class of Shares	Number of Shares held	Proportion of capital held (%)	Proportion of voting power held (%)	Details of other Shareholders
Barafor Limited	1 Churchill Place, E14 5HP	England and Wales	Ordinary	100,000	100%	100%	n/a

In the opinion of the Directors, the value of the Company's investment in its subsidiary is not less than the amount stated in the balance sheet.

12. CURRENT TAX ASSET

	30 November 2017 £	30 November 2016 £
Group relief receivable	-	97
	<u>-</u>	<u>97</u>

13. CURRENT TAX LIABILITY

	30 November 2017 £	30 November 2016 £
Group relief payable	(10,761)	-
	<u>(10,761)</u>	<u>-</u>

The above current tax liability is settled through intercompany group relief and is not payable to HMRC.

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NOTES TO THE FINANCIAL STATEMENTS (continued)**14. BORROWINGS**

	30 November 2017 £	30 November 2016 £
Amounts owed to group undertakings	-	(1,003)
	<u>-</u>	<u>(1,003)</u>

15. CALLED UP SHARE CAPITAL

	30 November 2017	30 November 2016
Authorised: 500,000,000 (2016: 500,000,000) ordinary shares of £1 each	500,000,000	500,000,000
	<u>500,000,000</u>	<u>500,000,000</u>
Allotted and fully paid: 1 ordinary shares of £1 each	£ 1	£ 1
	<u>£1</u>	<u>£1</u>

The holders of ordinary shares are entitled to receive dividends out of the profits of the Company available for distribution.

The holders of the Ordinary shares are entitled to vote at the general meeting of the Company.

16. 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, net interest rate risk and price risk).

The Company's Directors are required to operate within the requirements of the Barclays Group risk management policies. These policies include specific guideline on the management of foreign exchange, interest rate and credit risks, and advice on the use of financial instruments to manage them and comply with the requirements. The risks are managed on a portfolio basis are identified on an exception basis.

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NOTES TO THE FINANCIAL STATEMENTS (continued)**16. FINANCIAL RISKS (continued)****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 on a portfolio basis to ensure the credit risk is maintained within Barclays Group risk management policy guidelines. The Company monitors its exposures and seeks to minimize its credit exposures by monitoring the credit rating of its counterparties in accordance with Barclays Group risk management policies. The Company's assets are neither past due or impaired. The credit quality of financial assets subject to credit risk was assessed as strong as at 30 November 2017 and 30 November 2016. Strong indicates that there is very high likelihood of the asset being recovered in full.

Maximum exposure to credit risk

The Company's maximum exposure to credit risk is detailed in the table below. The exposure reported in the table represents the gross receivable amounts and not the fair value. The exposure is reported gross and does not include any collateral or other credit risk mitigants which reduce the Company's exposure.

	30 November 2017	30 November 2016
	£	£
Cash and cash equivalents	10,376	523
	<u>10,376</u>	<u>523</u>

The Company does not hold any collateral as security. The table below describes the Company's credit exposure by industry type:

	30 November 2017	30 November 2016
	£	£
Financial institution	10,376	523
	<u>10,376</u>	<u>523</u>

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NOTES TO THE FINANCIAL STATEMENTS (continued)**16. FINANCIAL RISKS (continued)****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. The Company has outstanding financial liabilities of Nil as at 30 November 2017 (2016: £1,003).

The monitoring and reporting of liquidity risk take the form of cash flow measurements and projections for the next day, week and month as these are key periods for liquidity management. Sources of liquidity are regularly reviewed.

	2017 £	2016 £
As at 31 December		
Financial liabilities repayable		
Not more than three months	-	(1,000)
more than a year but less than five years	-	-
Over five years	-	-
Total	-	(1,000)
 Interest payments		
not more than three months	-	(3)
more than three months but less than a year	-	-
more than a year but less than five years	-	-
over five years	-	-
Total	-	(3)
TOTAL	-	(1,003)

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 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. The Company's net interest rate risk arises from its borrowings.

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 30 November 2017, including effect of hedging instruments. The Company has net non-trading floating rate financial assets of Nil (2016: (£1,003)).

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NOTES TO THE FINANCIAL STATEMENTS (continued)**16. FINANCIAL RISKS (continued)****Interest rate sensitivity analysis (continued)***Impact on net interest income*

The Company has considered the effect on interest of a 100 basis points change. This analysis has been performed by applying a 100 basis point change to the outstanding principal of the net interest bearing positions. The impact would be as follows.

	+100 basis points	-100 basis points
2017	£	£
Change in interest income	-	-
As a percentage of net interest income	-	-
2016	+100 basis points £	-100 basis points £
Change in interest income	(10)	10
As a percentage of net interest income	(0.24%)	0.24%

Impact on equity

Interest rates affect equity in the following three ways:

- Higher or lower profit after tax resulting from lower net interest income
- Higher or lower available for sale reserves reflecting higher or lower fair values of available for sale financial instruments
- Higher or lower values of derivatives held in the cash flow hedging reserves

Foreign currency risk

The Company has no balances in foreign currencies and is not exposed to foreign currency risk.

Price risk

Price risk is the risk that market prices for the Company's investment securities measured at fair value may fall. The Company is not exposed to commodity price movements.

Fair values 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.

The Company's financial instruments as at year end comprise of borrowings amounting to Nil (2016: £1,003). The carrying value of borrowings approximates their value based on level 2 valuation methodology as described below.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

16. FINANCIAL RISKS (continued)

Valuation methodology

A description of the nature of the techniques used to calculate valuations based on observable inputs and valuations based on unobservable inputs is described below.

Quoted market prices - Level 1

Assets and liabilities are classified as Level 1 if their value is observable in an active market. Such instruments are valued by reference to unadjusted quoted prices for identical assets or liabilities in active markets where the quoted price is readily available, and the price represents actual and regularly occurring market transactions. An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an ongoing basis.

Valuation technique using observable inputs- Level 2

Assets and liabilities classified as Level 2 have been valued using models whose inputs are observable in an active market. Valuations based on observable inputs include assets and liabilities such as swaps and forwards which are valued using market standard pricing techniques, and options that are commonly traded in markets where all the inputs to the market standard pricing models are observable.

Valuation technique using significant unobservable inputs - Level 3

Assets and liabilities are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data (unobservable inputs). A valuation input is considered observable if it can be directly observed from transactions in an active market, or if there is compelling external evidence demonstrating an executable exit price.

Unobservable input levels are generally determined via reference to observable inputs, historical observations or using other analytical techniques.

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.

Kirsche Investments Limited is the immediate parent undertaking and controlling party. Cash balances are held within the Barclays group. During the year there have been no other transactions with related parties other than transactions disclosed in the notes to the financial statements.

18. CAPITAL MANAGEMENT

The Company is required to follow the risk management policies of Barclays PLC, its ultimate parent, which include guidelines covering capital management. The capital management objectives and policies for Barclays PLC can be found in its financial statements.

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NOTES TO THE FINANCIAL STATEMENTS (continued)**18. CAPITAL MANAGEMENT (continued)**

The Company's main capital management objectives are:

- To safeguard the Company's ability to continue as a going concern; and
- To maintain an optimal capital structure in order to reduce the cost of capital.

The Board of Directors is responsible for capital management and ensures that the Company operates within the Barclays Group risk framework.

Total capital of the Company is as follows:

	30 November 2017	30 November 2016
	£	£
Called-up share capital	1	1
Retained earnings	99,614	99,616
	<u>99,615</u>	<u>99,617</u>

19. RELATED UNDERTAKINGS

As at year end, the Company held the following investments in related undertakings (together the "Related Undertakings").

Name of subsidiary	Directly or Indirectly held by the Company	Registered Office Address	Country of incorporation	Class of Shares	Number of Shares held	Proportion of capital held (%)	Proportion of voting power held (%)	Details of other Shareholders
Barafor Limited	Directly held	1 Churchill Place, E14 5HP	England and Wales	Ordinary	100,000	100%	100%	n/a

In addition, at year end, Barafor Limited (subsidiary of the company) acted as trustee for following trusts which are within Barclays Group:

Name of Trust	Registered Office Address	Country of incorporation
Barclays Luxembourg USD Holdings Trust	5, The North Colonnade, E14 4BB	United Kingdom
Barclays BR Holdings Trust	5, The North Colonnade, E14 4BB	United Kingdom
Barclays Aegis Trust	1, Churchill Place, E14 5HP	United Kingdom
Barclays Equity Index Investments Bare Trust	1, Churchill Place, E14 5HP	United Kingdom
Barclays Capital Luxembourg Sarl Trust	1, Churchill Place, E14 5HP	United Kingdom
Barclays Cantal Investments Trust	1, Churchill Place, E14 5HP	United Kingdom
Barclays Capital Trading Luxembourg Trust	1, Churchill Place, E14 5HP	United Kingdom
Barclays Lamorak Trust	1, Churchill Place, E14 5HP	United Kingdom

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NOTES TO THE FINANCIAL STATEMENTS (continued)**20. PARENT UNDERTAKING AND ULTIMATE HOLDING COMPANY**

The immediate parent of the company is Kirsche Investments Limited. The parent undertaking of the smallest group that presents group financial statements is Barclays Bank PLC. The ultimate parent company and controlling party is Barclays PLC, which is the parent company of the largest group that presents group financial statements. Barclays Bank PLC's and Barclays PLC's statutory financial statements are available from Barclays Corporate Secretariat, 1 Churchill Place, London E14 5HP.