BARCLAYCARD FUNDING PLC

ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015

REGISTERED NUMBER: 2530163

Barclaycard Funding PLC
Annual Report
For the year ended 31 December 2015

INDEX

Registered Office

1 Churchill Place
London
E14 5HP

Barclaycard Funding PLC
Directors' Report
For the year ended 31 December 2015

The Directors present their annual report together with the audited financial statements of Barclaycard Funding PLC (the "Company") for the year ended 31 December 2015.

Profit and dividends

During the year the Company made a profit after taxation of £4k (2014: profit of £4k). The Directors do not recommend the payment of any dividends for the Class A and B ordinary shares for the year ended 31 December 2015 (2014: nil).

Post balance sheet events

Investor certificates related to Series 2011-1 (£920 million) were redeemed by the Company on the scheduled redemption date of 15 January 2016. A corresponding amount of medium-term note liabilities relating to the same series were settled on the same date.

Directors

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

SFM Directors Limited
J W Fetcho (Resigned 30 April 2015)
W T Castell (Appointed 27 May 2015 and resigned 07 October 2015)
S Sasson (Appointed 05 October 2015)

Going concern

Company law requires the Directors to prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business. 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. The Directors are not aware of any plans to terminate or significantly curtail the activities of the Company. For these reasons, the Directors have adopted the going concern basis in preparing the financial statements. The Directors are satisfied with the financial position of the Company at year end.

Statement of Directors' responsibilities

The following statement, which should be read in conjunction with the Independent 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 Independent Auditors in relation to the financial statements.

The Directors are required by the Companies Act 2006 to prepare financial statements 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 8 to 31:

- 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.

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 risks management

The Company's financial risk management objectives and policies and the exposure to credit risk, liquidity risk and market risk are set out in note 13 to the accompanying financial statements.

Donations

The Company made no charitable or political donations during the year (2014: £nil).

Related party transactions

Details of the Company's related party transactions during the year are set out in note 15 to the accompanying financial statements.

Directors third party indemnity provisions

Qualifying third party indemnity provisions were in force during the course of the year ended 31 December 2015 for the benefit of the Directors who have served in office 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

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office until the next annual general meeting. Pursuant to Section 489 of the Companies Act 2006, a resolution for their re-appointment will be proposed at the forthcoming annual general meeting of the Company.

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.

ON BEHALF OF THE BOARD

P H Whitaker
For and on behalf of SFM Directors Limited
Director
27 May 2016

REGISTERED NUMBER: 2530163

The directors present the strategic report for Barclaycard Funding PLC (the "Company") for the year ended 31 December 2015.

Principal Activities and Business Review

The Company is a special purpose entity ("SPE") set up by Barclays Bank PLC (the parent undertaking of the smallest group that presents group financial statements, in which the Company is included), whose primary purpose is to issue series of limited recourse medium term notes as part of the securitisation of credit card receivables. As part of the securitisation structure, Barclays Bank PLC sells a beneficial interest in a pool of credit card receivables to Gracechurch Receivables Trustee Limited (the "Trust", an SPE incorporated in Jersey), which then issues investor certificates (collateralised by the credit card receivables) to the Company. The Company funds the purchase of the investor certificates through the issuance of medium term notes to Gracechurch Card Programme Funding PLC, which itself funds the purchase of the medium term notes through the issuance of asset backed securities (collateralised by the medium term notes) under the Medium Term Note Programme ("MTNP"). The Company is considered to be a subsidiary of Barclays Bank PLC due to the fact that Barclays Bank PLC holds the Company's 'A' Ordinary Shares which gives Barclays Bank PLC 51% of the voting rights.

In 2015 the Company invested in a number of investor certificates totalling £3.52 billion split between Series 2015-1 Class A £1.50 billion, Series 2015-1 Class D £0.26 billion, Series 2015-2 Class A £1.50 billion and Series 2015-2 Class D £0.26 billion notes (refer to note 8 for details). On the same dates, and to fund these investments, the Company issued a number of medium term note liabilities totalling £3.52 billion split between Series 2015-1 Class A £1.50 billion, Series 2015-1 Class D £0.26 billion, Series 2015-2 Class A £1.50 billion and Series 2015-2 Class D £0.26 billion notes (refer to note 11 for details). Both forms of notes are expected to be redeemed on their scheduled redemption dates where the key performance indicators (see note 13) meet criteria set out in the MTNP offering documentation. Where these criteria are not met, redemption is expected to take place by their final redemption dates. The redemption dates assume the call option (explained below) will not have been exercised before the scheduled redemption date.

In 2015 the Company also redeemed a number of investor certificates totalling £3.02 billion split between Series 2012-1 Class A £0.70 billion, Series 2012-1 Class D £0.12 billion, Series 2012-4 Class A £0.47 billion, Series 2012-4 Class D £0.08 billion, Series 2013-1 Class A £1.40 billion and Series 2013-1 Class D £0.25 billion notes. A corresponding amount of medium term note liabilities were redeemed on the same dates. Series 2012-1, 2012-4 and 2013-1 redeemed on their scheduled redemption dates of 17 February, 15 June and 16 November 2015 respectively.

Certain series of investor certificates are subject to a "Call Date" whereby the instruments may be redeemed prior to the final maturity dates. £8.71 billion of the Company's investment certificates are covered under Series 2013-2, Series 2013-3, Series 2014-2, Series 2015-1 and Series 2015-2 final terms of the supplemental base prospectus where an optional call date can be exercised between Barclays Bank PLC and the Company. Barclays Bank PLC has the option to make an early payment to the Company in return for which Barclays Bank PLC will receive, at par, the investment certificates issued by the Trust and held by the Company. The Company would then simultaneously settle at par the medium term notes issued.

The "Call Date" option commenced on 20 November 2013 for Series 2013-2 and 2013-3, 11 November 2014 for Series 2014-2 and 20 November 2015 for Series 2015-1 and 2015-2, and expires for Series 2013-2 on 15 November 2018, Series 2013-3 and 2014-2 on 15 November 2019, Series 2015-1 on 16 November 2020 and for Series 2015-2 on 15 November 2022. This option can be exercised on any given interest payment date (15th of each month), which would likely result in the investor certificates and subsequently the medium term notes being redeemed at par prior to the scheduled redemption date.

As at 31 December 2015, the Company held £10.96 billion of investor certificate assets and issued a corresponding amount of medium term note certificates. The investor certificate assets and medium term note liabilities were purchased and issued, respectively, in several series of offerings. They are expected to be redeemed on the scheduled redemption dates, where the key performance indicators for each series of notes issued meet criteria set out in the offering documentation. Where these criteria are not met, redemption will take place by their final redemption dates. See note 8, Loans and receivables and note 11, Borrowings, of the accompanying financial statements for detail of the different series of offerings.

The Company is entitled to expense and profit retention reimbursements from Barclays Bank PLC as part of its agreed margin. The MTNP stipulates a profit retention requirement of the greater of £1,200 per annum or £600 annually per series issued. The Company has met this retention requirement for 2014 and 2015.

Business Performance and financial position

During the year the Company made a profit after taxation of £4k (2014: profit of £4k). The Directors do not recommend the payment of any dividends for the Class A and B ordinary shares for the year ended 31 December 2015 (2014: nil). The Directors consider the financial position of the Company at the year-end to be satisfactory.

Future outlook

Based upon the performance of the underlying receivables (as evidenced via the Investor Reports, available from the 'Gracechurch Card Funding' section within 'Investor Relations' on the Barclays Bank PLC website) and the various levels of support offered by the structure of the instruments (as described in note 13, Financial Risks, of the accompanying financial statements), the Directors remain confident that the investor certificates will be repaid in full and therefore that the Company will be able to repay the medium term notes in issue in full, along with their interest, at maturity.

The Directors do not expect there to be any change in the Company's principal activity in the foreseeable future.

Principal risks and uncertainties

The Company's activities expose it to a number of risks.The principal risk is that the Company is unable to meet its obligations should the interest and principal received on the Company's investments not be sufficient to pay the medium term note holders interest and principal and the associated expenses of the Company. This could arise if the cash flows from the revolving credit card receivables and the Trust Principal Funding Account are not sufficient to settle interest and principal due on the investor certificates.

Information on how the Company's Directors manage these risks and uncertainties is explained in note 13 to the accompanying financial statements.

Key performance indicators (KPI's)

The Company does not use complex KPIs in monitoring the business. The interest income on the investor certificates, the interest costs of the medium term notes and the related operating expenses are the principal components of the Company's operations, which are quantified in the Statement of Comprehensive Income

Barclays Bank PLC as servicer under the MTNP (and which is represented on the Board of Directors of the company) monitor a number of key performance indicators such as triggers (including performance of the underlying credit card receivables portfolio, related arrears levels, excess spread, portfolio yield, payment rate and charge off rate), the credit ratings of the notes in issue and the credit worthiness of the counterparties relevant to the Company, which give comfort to Directors on the performance of the underlying receivables and hence the anticipated performance of the Company. Further details on key performance indicators can be found in note 13.

ON BEHALF OF THE BOARD

P H Whitaker
For and on behalf of SFM Directors Limited
Director
27 May 2016
REGISTERED NUMBER: 2530163

Independent auditors' report to the members of Barclaycard Funding PLC

Report on the financial statements

Our opinion

In our opinion, Barclaycard Funding PLC's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit/loss and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Annual Report, comprise:

- the balance sheet as at 31 December 2015;
- the statement of comprehensive income for the year then ended;
- the cash flow statement for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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

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

Opinion on other matter prescribed by the Companies Act 2006

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

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

Independent auditors' report to the members of Barclaycard Funding PLC (continued)

directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and 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 parent company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

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

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

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

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

In addition, we read all the financial and non-financial information in the Annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Jeremy Foster

Jeremy Foster (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
31 May 2016

Barclaycard Funding PLC
Statement of Comprehensive Income
For the year ended 31 December 2015

	Notes	2015 £'000	2014 £'000
Continuing operations			
Interest income	4	114,087	124,694
Interest expense		(113,982)	(124,595)
Net interest income		105	99
Administrative expenses	5	(100)	(94)
Profit before taxation		5	5
Taxation (charge)	7	(1)	(1)
Profit and total comprehensive income for the year		4	4

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

REGISTERED NUMBER: 2530163

Barclaycard Funding PLC
Balance Sheet
As at 31 December 2015

	Notes	2015 £'000	2014 £'000
Assets			
Non-current assets			
Financial assets			
- loans and receivables	8	8,391,983	7,429,211
Total non-current assets		**8,391,983**	**7,429,211**
Current assets			
Cash and cash equivalents		242	261
Trade and other receivables	9	8,632	7,459
Financial assets			
- loans and receivables	8	2,566,640	3,018,673
Total current assets		**2,575,514**	**3,026,393**
Total assets		**10,967,497**	**10,455,604**
Liabilities			
Current liabilities			
Trade and other payables	10	(8,631)	(7,481)
Current tax liabilities	7	(1)	(1)
Financial liabilities			
- short-term borrowings	11	(2,566,640)	(3,018,673)
Total current liabilities		**(2,575,272)**	**(3,026,155)**
Net current assets		**242**	**238**
Total assets less current liabilities		**8,392,225**	**7,429,449**
Non-current liabilities			
Financial liabilities			
- long-term borrowings	11	(8,391,983)	(7,429,211)
Total non-current liabilities		**(8,391,983)**	**(7,429,211)**
Net assets		**242**	**238**
Equity			
Called up share capital	12	13	13
Retained earnings		229	225
Total equity		**242**	**238**

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

The financial statements on pages 8 to 31 were approved by the Board of Directors and authorised for issue on 27 May 2016 and were signed on its behalf by:

P H Whitaker
For and on behalf of SFM Directors Limited
Director
27 May 2016

REGISTERED NUMBER: 2530163

Barclaycard Funding PLC
Statement of Changes in Equity
For the year ended 31 December 2015

	Called Up Share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2015	13	225	238
Profit and total comprehensive income for the year	-	4	4
Balance at 31 December 2015	13	229	242
Balance at 1 January 2014	13	221	234
Profit and total comprehensive income for the year	-	4	4
Balance at 31 December 2014	13	225	238

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

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Barclaycard Funding PLC
Cash Flow Statement
For the year ended 31 December 2015

	2015	Restated (per note below) 2014
Continuing operations	**£'000**	**£'000**
Cash flows from operating activities		
Profit before taxation	5	5
Net increase in trade and other receivables	(22)	-
Net decrease in trade and other payables	(1)	(1)
Interest income on loans and receivables	(114,087)	(124,694)
Interest payable on borrowings	113,982	124,595
Taxation paid	(1)	(1)
Net cash used in operating activities	**(124)**	**(96)**
Cash flows from investing activities		
Purchase of loans and receivables	-	(750,000)
Redemption of loans and receivables	3,018,673	2,244,534
Interest received on loans and receivables	112,936	127,571
Net cash generated from investing activities	**3,131,609**	**1,622,105**
Cash flows from financing activities		
Issuance of borrowings	-	750,000
Redemption of borrowings	(3,018,673)	(2,244,534)
Interest paid on borrowings	(112,831)	(127,472)
Dividend paid	-	(140)
Net cash used in financing activities	**(3,131,504)**	**(1,622,146)**
Net decrease in cash and cash equivalents	**(19)**	**(137)**
Cash and cash equivalents at beginning of the year	261	398
Cash and cash equivalents at end of the year	**242**	**261**
Cash and cash equivalents comprise:		
Cash at bank	242	261
Cash and cash equivalents at end of the year	**242**	**261**

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

Non-cash transactions

The Company issued medium term notes and invested in investment certificates relating to Series 2014-1 Class D, Series 2014-2 Class A and D, Series 2015-1 Class A and D and Series 2015-2 Class A and D which were settled free of cashflow and hence are not reflected in the cashflow statement. 2014 comparatives have been amended as follows:

- Purchase of investor certificates has been amended to £0.75 billion from £2.77 billion; and
- Issuance of medium term notes has been amended to £0.75 billion from £2.77 billion.

The amendment has also been reflected in note 15 and has no other impact to the financial statements.

REGISTERED NUMBER: 2530163

1. Reporting entity

These financial statements are prepared for Barclaycard Funding PLC (the "Company"), the principal activity of which is to purchase investor certificates representing a beneficial interest in assets held by Gracechurch Receivables Trustee Limited (the "Trust", a Special Purpose Entity incorporated in Jersey) and to issue medium term notes to Gracechurch Card Programme Funding PLC (a company incorporated in the United Kingdom). The Company is a public limited company, domiciled and incorporated in the United Kingdom. The address of the registered office of the Company is 1 Churchill Place, London, E14 5HP, England.

The Company is a SPE established primarily to issue series of limited recourse medium term notes as part of the securitisation of credit card receivables. As part of the securitisation structure, Barclays Bank PLC (the parent undertaking of the smallest group that presents group financial statements, in which the Company is included) sells a beneficial interest in a pool of receivables to the Trust, which then issues investor certificates (collateralised by the credit card receivables) to the Company. The Company funds the purchase of the investor certificates through the issuance of medium term notes to Gracechurch Card Programme Funding PLC, which itself funds the purchase of the medium term notes through the issuance of asset backed securities (collateralised by the medium term notes). The Company is considered to be a subsidiary of Barclays Bank PLC due to the fact that Barclays Bank PLC holds the Company's 'A' Ordinary Shares which gives Barclays Bank PLC 51% of the voting rights.

The Company is entitled to expense and profit retention reimbursements from Barclays Bank PLC as part of its agreed margin. The profit retention requirement of the Company varies for each series and is stipulated in the offering documentation of each series of medium term notes issued.

2. Compliance with International Financial Reporting Standards

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), adopted for use in the European Union, International Financial Reporting Interpretations Committee (IFRIC) interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

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 International Accounting Standards (IAS) 39: 'Financial Instruments: Recognition and measurement,' as set out in the relevant accounting policies.

Company law requires the Directors to prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business. After reviewing detailed profit and cash projections, taking into account the available bank facilities and making such further enquiries as they consider appropriate, the Directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason the Directors have adopted the going concern basis in preparing the financial statements.

Critical accounting estimates and judgements

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates and judgements. It also requires Directors 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 financial statements.

3. Summary of significant accounting policies (continued)

Critical accounting estimates and judgements (continued)

The Directors consider the most significant estimates and assumptions to be the assessment of impairment of the investor certificates and the methodology used to arrive at the fair value of financial instruments for disclosure purposes. The calculation of impairment of the investor certificates is based on assumptions explained in more detail in note 3(d). Allowances for impairment represents Directors' estimate of the losses incurred in the investor certificates as at the balance sheet date. The level of the impairment allowance is the difference between the value of its discounted expected future cash flows (discounted at the effective interest rate of the underlying credit card receivables), and its carrying amount.

Subjective judgements are made in the calculation of future cash flows. Furthermore, judgements change with time as new information becomes available or as work-out strategies evolve, resulting in frequent revisions to the impairment allowance as individual decisions are taken. Changes in these estimates would result in a change in the allowances and have a direct impact on the impairment charge.

The fair value of financial instruments is disclosed in note 14 along with the critical assumptions made when calculating the amount.

(a) Foreign currency translation

The financial statements are presented in pounds sterling, which is the functional currency of the Company. Foreign currency transactions are translated into sterling using the exchange rates prevailing at the dates of the transactions. Balances denominated in foreign currencies are retranslated at the rate prevailing at the year end. Foreign exchange gains and losses resulting from the retranslation and settlement of these items are recognised in the Statement of Comprehensive Income.

(b) Interest income and expense

Interest income or expense is recognised on all interest bearing financial assets classified as held to maturity, or other loans and advances, and on financial liabilities, using the effective interest method.

The effective interest rate is the rate that exactly discounts the expected future cash receipts or payments 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 or expense on the instrument in proportion to the amount outstanding such that the yield earned or incurred is constant over the period to maturity or repayment.

(c) Current income tax

Income tax payable on taxable profits ('current tax') is recognised as an expense in the year in which the profits arise. The Company has elected to be taxed under The Taxation of Securitisation Companies Regulations 2006 (the "permanent tax") under which the Company is taxed by reference to the amount of profit retained by the Company, as set out in the transaction documentation.

(d) Financial assets and liabilities

The Company recognises financial instruments from the contract date, and continues to recognise assets until the rights to receive cash flows have expired or the Company has transferred substantially all the risks and rewards of ownership. In the case of liabilities, the Company will continue to recognise them until the liability has been settled, extinguished or has expired. Financial assets are initially recognised at fair value and then measured and classified in the financial statements as follows:

Loans and receivables

Loans and receivables (investor certificates) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The loans and receivables are categorised as non-current if the scheduled redemptions are greater than 12 months from the date of the balance sheet. They are initially recognised at fair value including direct and incremental transaction costs and are subsequently measured at amortised cost, using the effective interest method.

3. Summary of significant accounting policies (continued)

(d) Financial assets and liabilities (continued)

Loans and receivables represent the Company's indirect beneficial interest in pools of credit card receivables. The beneficial interests in pools of credit card receivables result from the investor certificates that are collateralised by the pools of credit card receivables. The investor certificates entitle the Company to payments of interest and principal payable from collections on the underlying receivables.

Borrowings

Borrowings represent medium term note obligations ultimately collateralised by the underlying credit card receivables. Borrowings are initially recognised at fair value less transaction costs and are subsequently valued at amortised cost, using the effective interest method.

Determining fair value

Fair value of financial assets and liabilities for disclosure purposes (see note 14, Fair Value of Financial Instruments) was determined by reference to the quoted bid value in an active market wherever possible. Where no such active market exists for the particular instrument, the Company uses a valuation technique to arrive at the fair value, including the use of prices of similar instruments 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

At each balance sheet date, the Company assesses whether there is objective evidence that a financial asset 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 the disappearance of an active market for a security because of the issuer's financial difficulties.

The ability of the Company's borrower to repay the loans and receivables (investor certificates) is dependent primarily on the performance of underlying credit card receivables. In making an assessment on whether or not the investor certificates are impaired, the Company also considers the performance of the underlying credit card receivables, including their arrears levels. The Company regularly reviews and evaluates forecasted payment rates and yield indicators, including excess spread (as illustrated in note 13), on the underlying revolving securitised credit card receivables. The Company also performs procedures to satisfy itself that the servicer has adequate controls in place to fairly report the performance of the underlying credit card receivables, including their arrears levels.

The Company also considers observable data when determining if there is a measurable decrease in the estimated future cash flows from a portfolio of assets since the initial recognition of those assets. These decreases cannot yet be directly linked to specific assets in the portfolio and might arise from adverse changes in the payment status of borrowers, or national or local economic conditions that correlate with defaults on the assets in the portfolio.

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. Any impairment loss is recognized using an allowance account in the Statement of Comprehensive Income.

(e) Cash and cash equivalents

For the purposes of the cash flow statement and the balance sheet, cash comprises of cash at bank.

(f) Segment reporting

The operations of the Company comprise issuing medium term notes in the United Kingdom and acquiring investor certificates originated in the United Kingdom. Consequently, the Directors consider the Company to have only one business and geographical segment.

3. Summary of significant accounting policies (continued)

(g) Share capital

Ordinary shares are classified as equity.

(h) Dividends

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

(i) Future accounting developments

There are expected to be a number of significant changes to the Company's financial reporting after 2015 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 ("IFRS 9") 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 measured at either fair value through profit or loss or amortised cost, except for debt instruments meeting specific criteria, which are required to be measured at fair value through other comprehensive income, or equity investments not held for trading, which may be measured at fair value through other comprehensive income;
- Financial liabilities: The accounting for financial liabilities is largely unchanged, except for non-derivative financial liabilities designated at fair value through profit or loss. Gains and losses on such financial liabilities arising from changes in Barclays own credit risk will be presented in other comprehensive income rather than in profit or loss;
- Impairment: Credit losses expected at the balance sheet date (rather than only losses incurred in the year) on loans, debt securities, loan commitments and financial guarantees not held at fair value through profit or loss will be reflected in impairment allowances and is expected to result in the earlier recognition of losses that are dependent *on the economic forecast; and*
- Hedge accounting: Hedge accounting will be more closely aligned with financial risk management.

IFRS 9 is not required to be applied until periods beginning on or after 1 January 2018. EU endorsement is expected during 2016. At this stage, the Directors are still assessing the impact.

In 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers which will replace IAS 18 Revenue and IAS 11 Construction Contracts. In January 2016, the IASB also issued IFRS 16 Leases which will replace IAS 17 Leases. Both standards will not impact the Company.

4. Interest income and similar income

Interest income has been analysed as follows:

	2015 £'000	2014 £'000
Interest income on loans and receivables	113,982	124,595
Interest income from related party for profit retention and expense recovery	105	99
Total interest income	**114,087**	**124,694**

5. Administrative expenses

Administrative expenses have been analysed as follows:

	2015 £'000	2014 £'000
Auditors' remuneration - audit of the Company's annual financial statements only	31	29
Trustee fees	51	47
Other	18	18
Total administrative expenses	**100**	**94**

6. Employees and key management, including Directors

(i) Employees

There were no persons employed by the Company during the year (2014: nil).

(ii) Directors' remuneration:

None of the Directors were directly remunerated by the Company in respect of their services to the Company during the year. However, a fee was paid to Structured Finance Management Limited in relation to the services provided by SFM Directors Limited. In relation to the other Directors, their service to this Company was performed as part of their employment by Barclays Bank PLC in its role as controlling party and no remuneration was earned for qualifying services to the Company. Barclays Bank PLC has not recharged this Company for the cost of this service (see note 15).

7. Taxation charge

(a) Income tax charge

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

	2015 £'000	2014 £'000
Current taxation:		
United Kingdom corporation tax – current year	(1)	(1)
Total tax charge	**(1)**	**(1)**

The table below shows the reconciliation between the actual tax charge that would result from applying the standard UK corporation tax rate of 20.25% (2014: 21.5%) to the Company's profit before tax.

The UK corporation tax charge is based on a blended UK corporation tax rate of 20.25% arising from the change in UK corporation tax rate to 20% from 21%, effective from 1 April 2015.

	2015 £'000	2014 £'000
Profit before taxation	5	5
Tax charge at average UK corporation tax rate of 20.25% (2014: 21.5%)	(1)	(1)
Overall tax charge for the year	**(1)**	**(1)**
Effective tax rate	**20.25%**	**21.50%**

(b) Current tax liabilities

The current tax liability is as follows:

	2015 £'000	2014 £'000
UK Corporation tax payable	(1)	(1)

8. Loans and receivables

Loans and receivables consist of investor certificates and comprise the following:

Series and date of investment certificates	Scheduled redemption date	Final redemption date	2015 £'000	2014 £'000	Interest Rate Receivable
Class A1 (Series 2012-1) 12 Mar 2012	17 Feb 2015	15 Feb 2017	-	283,733	1 month sterling LIBOR plus 0.72%
Class A2 (Series 2012-1) 12 Mar 2012	17 Feb 2015	15 Feb 2017	-	416,319	1 month sterling LIBOR plus 1.194%
Class D (Series 2012-1) 12 Mar 2012	17 Feb 2015	15 Feb 2017	-	123,539	1 month sterling LIBOR plus 1.2%
Class A (Series 2012-4) 14 Jun 2012	15 Jun 2015	15 Jun 2017	-	465,819	1 month sterling LIBOR plus 0.654%

8. Loans and receivables (continued)

Series and date of investment certificates	Scheduled redemption date	Final redemption date	2015 £'000	2014 £'000	Interest Rate Receivable
Class D (Series 2012-4) 14 Jun 2012	15 Jun 2015	15 Jun 2017	-	82,204	1 month sterling LIBOR plus 1.05%
Class A (Series 2013-1) 20 Nov 2013	16 Nov 2015	15 Nov 2017	-	1,400,000	1 month sterling LIBOR plus 0.55%
Class D (Series 2013-1) 20 Nov 2013	16 Nov 2015	15 Nov 2017	-	247,059	1 month sterling LIBOR plus 0.80%
Class A1 (Series 2011-1) 07 Feb 2011	15 Jan 2016	15 Jan 2018	366,581	-	1 month sterling LIBOR plus 1.394%
Class A2 (Series 2011-1) 07 Feb 2011	15 Jan 2016	15 Jan 2018	415,000	-	1 month sterling LIBOR plus 1.1%
Class D (Series 2011-1) 07 Feb 2011	15 Jan 2016	15 Jan 2018	138,000	-	1 month sterling LIBOR plus 2.0%
Class A (Series 2013-2) 20 Nov 2013	15 Nov 2016	15 Nov 2018	1,400,000	-	1 month sterling LIBOR plus 0.65%
Class D (Series 2013-2) 20 Nov 2013	15 Nov 2016	15 Nov 2018	247,059	-	1 month sterling LIBOR plus 0.90%
Loans and receivables – current			**2,566,640**	**3,018,673**	
Class A1 (Series 2011-1) 7 Feb 2011	15 Jan 2016	15 Jan 2018	-	366,581	1 month sterling LIBOR plus 1.394%
Class A2 (Series 2011-1) 7 Feb 2011	15 Jan 2016	15 Jan 2018	-	415,000	1 month sterling LIBOR plus 1.1%
Class D (Series 2011-1) 7 Feb 2011	15 Jan 2016	15 Jan 2018	-	138,000	1 month sterling LIBOR plus 2.0%
Class A (Series 2013-2) 20 Nov 2013	15 Nov 2016	15 Nov 2018	-	1,400,000	1 month sterling LIBOR plus 0.65%
Class D (Series 2013-2) 20 Nov 2013	15 Nov 2016	15 Nov 2018	-	247,059	1 month sterling LIBOR plus 0.90%
Class A (Series 2012-3) 24 May 2012	15 May 2017	15 May 2019	379,411	379,411	1 month sterling LIBOR plus 0.901%
Class D (Series 2012-3) 24 May 2012	15 May 2017	15 May 2019	66,955	66,955	1 month sterling LIBOR plus 1.35%
Class A (Series 2013-3) 20 Nov 2013	15 Nov 2017	15 Nov 2019	1,400,000	1,400,000	1 month sterling LIBOR plus 0.75%
Class D (Series 2013-3) 20 Nov 2013	15 Nov 2017	15 Nov 2019	247,059	247,059	1 month sterling LIBOR plus 1.0%
Class A (Series 2014-2) 11 Nov 2014	15 Nov 2017	15 Nov 2019	1,600,000	1,600,000	1 month sterling LIBOR plus 0.42%
Class D (Series 2014-2) 11 Nov 2014	15 Nov 2017	15 Nov 2019	286,793	286,793	1 month sterling LIBOR plus 0.0%
Class A (Series 2015-1) 20 Nov 2015	15 Nov 2018	16 Nov 2020	1,500,000	-	1 month sterling LIBOR plus 0.62%
Class D (Series 2015-1) 20 Nov 2015	15 Nov 2018	16 Nov 2020	264,706	-	1 month sterling LIBOR plus 0.0%

8. Loans and receivables (continued)

Series and date of investment certificates	Scheduled redemption date	Final redemption date	2015 £'000	2014 £'000	Interest Rate Receivable
Class A (Series 2014-1) 23 Jul 2014	15 Jul 2019	15 Jul 2021	750,000	750,000	1 month sterling LIBOR plus 0.50%
Class D (Series 2014-1) 23 Jul 2014	15 Jul 2019	15 Jul 2021	132,353	132,353	1 month sterling LIBOR plus 0.0%
Class A (Series 2015-2) 20 Nov 2015	16 Nov 2020	15 Nov 2022	1,500,000	-	1 month sterling LIBOR plus 0.72%
Class D (Series 2015-2) 20 Nov 2015	16 Nov 2020	15 Nov 2022	264,706	-	1 month sterling LIBOR plus 0.0%
Loans and receivables – non-current			**8,391,983**	**7,429,211**	
Total			**10,958,623**	**10,447,884**	

The Class D certificates are subordinate to the Class A, A1 and A2 notes. The Class A, A1 and A2 certificates rank pari passu to one another. The investor certificates are expected to be redeemed on the scheduled redemption dates where the key performance indicators meet criteria set out in the offering circulars for each series of notes issued. Where these criteria are not met, redemption is expected to be take place by their final redemption dates. The redemption dates assume the call option (explained below) has not been exercised before the scheduled redemption date.

Certain series of investor certificates are subject to a "Call Date" whereby the instruments may be redeemed prior to the final maturity dates. £8.71 billion of the Company's investor certificates are covered under the series 2013-2, 2013-3, 2014-2, 2015-1 and 2015-2 final terms where an optional call date can be exercised between Barclays Bank PLC and the Company. Barclays Bank PLC has the option to make an early payment to the Company in return for which Barclays Bank PLC will receive, at par, the investment certificates issued by the Trust and held by the Company. The Company would then simultaneously settle, at par, the medium term notes issued (see note 11).

The "Call Date" option commenced on 20 November 2013 for Series 2013-2 and 2013-3, 11 November 2014 for Series 2014-2 and 20 November 2015 for Series 2015-1 and 2015-2, and expires for Series 2013-2 on 15 November 2018, Series 2013-3 and 2014-2 on 15 November 2019, Series 2015-1 on 16 November 2020 and for Series 2015-2 on 15 November 2022. This option can be exercised on any given interest payment date (15th of each month), which could result in the investor certificates and subsequently the medium term notes being redeemed at par prior to the scheduled redemption date. See note 13 for information related to financial risks.

9. Trade and other receivables

	2015 £'000	2014 £'000
Interest receivable on loans and receivables	8,605	7,454
Amount receivable from related party undertaking	27	5
Total	**8,632**	**7,459**

10. Trade and other payables

	2015 £'000	2014 £'000
Interest payable on borrowings	8,605	7,454
Accruals	26	27
Total	**8,631**	**7,481**

11. Borrowings

Borrowings consist solely of medium term notes and are made up as follows:

Series and date of notes	Scheduled redemption date	Final redemption date	2015 £'000	2014 £'000	Interest Rate Payable
Class A1 (Series 2012-1) 12 Mar 2012	17 Feb 2015	15 Feb 2017	-	283,733	1 month sterling LIBOR plus 0.72%
Class A2 (Series 2012-1) 12 Mar 2012	17 Feb 2015	15 Feb 2017	-	416,319	1 month sterling LIBOR plus 1.194%
Class D (Series 2012-1) 12 Mar 2012	17 Feb 2015	15 Feb 2017	-	123,539	1 month sterling LIBOR plus 1.2%
Class A (Series 2012-4) 14 Jun 2012	15 Jun 2015	15 Jun 2017	-	465,819	1 month sterling LIBOR plus 0.654%
Class D (Series 2012-4) 14 Jun 2012	15 Jun 2015	15 Jun 2017	-	82,204	1 month sterling LIBOR plus 1.05%
Class A (Series 2013-1) 20 Nov 2013	16 Nov 2015	15 Nov 2017	-	1,400,000	1 month sterling LIBOR plus 0.55%
Class D (Series 2013-1) 20 Nov 2013	16 Nov 2015	15 Nov 2017	-	247,059	1 month sterling LIBOR plus 0.80%
Class A1 (Series 2011-1) 07 Feb 2011	15 Jan 2016	15 Jan 2018	366,581	-	1 month sterling LIBOR plus 1.394%
Class A2 (Series 2011-1) 07 Feb 2011	15 Jan 2016	15 Jan 2018	415,000	-	1 month sterling LIBOR plus 1.1%
Class D (Series 2011-1) 07 Feb 2011	15 Jan 2016	15 Jan 2018	138,000	-	1 month sterling LIBOR plus 2.0%
Class A (Series 2013-2) 20 Nov 2013	15 Nov 2016	15 Nov 2018	1,400,000	-	1 month sterling LIBOR plus 0.65%
Class D (Series 2013-2) 20 Nov 2013	15 Nov 2016	15 Nov 2018	247,059	-	1 month sterling LIBOR plus 0.90%
Borrowings – current			**2,566,640**	**3,018,673**	
Class A1 (Series 2011-1) 7 Feb 2011	15 Jan 2016	15 Jan 2018	-	366,581	1 month sterling LIBOR plus 1.394%
Class A2 (Series 2011-1) 7 Feb 2011	15 Jan 2016	15 Jan 2018	-	415,000	1 month sterling LIBOR plus 1.1%
Class D (Series 2011-1) 7 Feb 2011	15 Jan 2016	15 Jan 2018	-	138,000	1 month sterling LIBOR plus 2.0%
Class A (Series 2013-2) 20 Nov 2013	15 Nov 2016	15 Nov 2018	-	1,400,000	1 month sterling LIBOR plus 0.65%
Class D (Series 2013-2) 20 Nov 2013	15 Nov 2016	15 Nov 2018	-	247,059	1 month sterling LIBOR plus 0.90%
Class A (Series 2012-3) 24 May 2012	15 May 2017	15 May 2019	379,411	379,411	1 month sterling LIBOR plus 0.901%
Class D (Series 2012-3) 24 May 2012	15 May 2017	15 May 2019	66,955	66,955	1 month sterling LIBOR plus 1.35%

11. Borrowings (continued)

Series and date of notes	Scheduled redemption date	Final redemption date	2015 £'000	2014 £'000	Interest Rate Payable

Class A (Series 2013-3) 20 Nov 2013	15 Nov 2017	15 Nov 2019	1,400,000	1,400,000	1 month sterling LIBOR plus 0.75%
Class D (Series 2013-3) 20 Nov 2013	15 Nov 2017	15 Nov 2019	247,059	247,059	1 month sterling LIBOR plus 1.0%
Class A (Series 2014-2) 11 Nov 2014	15 Nov 2017	15 Nov 2019	1,600,000	1,600,000	1 month sterling LIBOR plus 0.42%
Class D (Series 2014-2) 11 Nov 2014	15 Nov 2017	15 Nov 2019	286,793	286,793	1 month sterling LIBOR plus 0.0%
Class A (Series 2015-1) 20 Nov 2015	15 Nov 2018	16 Nov 2020	1,500,000	-	1 month sterling LIBOR plus 0.62%
Class D (Series 2015-1) 20 Nov 2015	15 Nov 2018	16 Nov 2020	264,706	-	1 month sterling LIBOR plus 0.0%
Class A (Series 2014-1) 23 Jul 2014	15 Jul 2019	15 Jul 2021	750,000	750,000	1 month sterling LIBOR plus 0.50%
Class D (Series 2014-1) 23 Jul 2014	15 Jul 2019	15 Jul 2021	132,353	132,353	1 month sterling LIBOR plus 0.0%
Class A (Series 2015-2) 20 Nov 2015	16 Nov 2020	15 Nov 2022	1,500,000	-	1 month sterling LIBOR plus 0.72%
Class D (Series 2015-2) 20 Nov 2015	16 Nov 2020	15 Nov 2022	264,706	-	1 month sterling LIBOR plus 0.0%
Borrowings – non-current			**8,391,983**	**7,429,211**	
Total			**10,958,623**	**10,447,884**	

The borrowings (medium term note obligations) are collateralised by investor certificates issued by the Trust. The investor certificates are then collateralised by underlying credit card receivables. The Class D notes are subordinate to the Class A notes (Class A, A1, A2 rank pari passu to each other). Please refer to note 1 for further details of the securitisation structure.

The medium term notes are expected to be redeemed on the scheduled redemption dates where the key performance indicators meet criteria set out in the offering circulars for each series of notes issued.

Where these criteria are not met, redemption is expected to take place by the final redemption date. The redemption dates assume the call option (see note 8) has not been exercised before the scheduled redemption date.

If the "Call Date" in accordance with the final terms agreement of certain investor certificates are exercised resulting in the redemption of investor certificates at par prior to the scheduled redemption date, the Company would then simultaneously settle, at par, the medium term notes issued (See note 8 for the call option description).

12. Called up share capital

	2015 £	**2014** £
Authorised:		
37,500 (2014: 37,500) A ordinary shares of £1 each	37,500	37,500
12,500 (2014: 12,500) B ordinary shares of £1 each	12,500	12,500
	50,000	50,000
Issued:		
2 (2014: 2) A ordinary shares of £1 each allotted, called up and fully paid	2	2
37,498 (2014: 37,498) A ordinary shares of £1 each allotted, called up and quarter paid	9,375	9,375

12. Called up share capital (continued)

	2015 £	**2014** £
12,500 (2014: 12,500) B ordinary shares of £1 each allotted, called up and quarter paid	3,125	3,125
At 31 December	**12,502**	**12,502**

The holders of the A ordinary shares are entitled to exercise 51% of the total votes, to receive, in aggregate, 49% of any dividend declared and to receive 49% of the assets available for distribution on the winding up of the Company. The holders of the A ordinary shares may also appoint up to two Directors of the Company. The holders of the B ordinary shares are entitled to exercise 49% of the total votes, to receive, in aggregate, 51% of any dividend declared and to receive 51% of the assets available for distribution on the winding up of the Company. The holders of the B ordinary shares may also appoint one Director of the Company.

13. Financial risks

The Company's activities expose it to a variety of financial risks. These are primarily credit risk, liquidity risk and market risk (which includes interest rate risk). The Company's Directors follow the risk management policies of Barclays Bank PLC because the Company is controlled, under IFRS, by Barclays Bank PLC and is consolidated into the financial statements of Barclays Bank PLC and they consider these policies to be the most appropriate ones for the Company. These policies include specific guidelines on the management of interest rate and credit risks and advise on the use of financial instruments to manage them. The Board of Directors monitors the Company's financial risks and has responsibility for ensuring effective risk management and control.

The Company's financial instruments comprise of loans and receivables (interests in investor certificates), borrowings (medium term notes), cash, trade receivables and trade payables that arise directly from its operations. It is, and has been throughout the year, the Company's policy that no trading in financial instruments shall be undertaken. The main risks arising from the Company's financial instruments are interest rate risk and credit risk. The Board reviews and agrees policies for managing these risks as summarised below.

(A) Credit risk

Credit risk is the risk of financial loss, should any of the Company's customers or market counterparties fail to fulfill their contractual obligations to the Company. The Company assesses all counterparties for credit risk before contracting with them. The Company's investor certificates are issued by the Trust and represent a beneficial interest in a portfolio of underlying credit card receivables. They entitle the Company to payments of interest and principal from collections on the underlying receivables. Therefore, the Company's credit risk is that the performance of the underlying credit card receivables is not sufficient to enable the Trust to pay the interest and principal on the investor certificates, which in turn would mean that the Company may not be able to meet its debts as they fall due. Any funds placed on deposit with the Trust are also subject to the risk of the deposit taking institution becoming insolvent. This risk is managed by the Trust through novating the deposit accounts to a new deposit taking institution with acceptable external ratings when necessary.

Maximum exposure to credit risk

The Company's maximum exposure to credit risk is reflected by the amounts disclosed in the balance sheet. The following table shows the maximum exposure to credit risk at 31 December 2015 and 2014:

	2015 £'000	2014 £'000
Cash and cash equivalents	242	261
Trade and other receivables	8,632	7,459
Financial assets		
- loans and receivables	10,958,623	10,447,884
Total maximum exposure at 31 December	**10,967,497**	**10,455,604**

The Company's loans and receivables comprise investor certificates, which are ultimately collateralised by an underlying portfolio of credit card receivables. Its borrowings, comprising the medium term notes, are collateralised by the investor certificates.

13. Financial risks (continued)

Financial assets subject to credit risk

For the purposes of the Company's disclosures regarding credit quality, financial assets subject to credit risk relate to investor certificates issued by the Trust, (which in turn are dependent on credit card receivables underlying the investor certificates), trade and other receivables, and cash at bank. Collections received on the continuously revolving credit card receivables are used to settle principal and interest due on the investor certificates. Further disclosure on credit quality of the underlying credit card receivables attributable to the Company's investor certificates have been presented further along in this note.

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

2015	Cash and cash equivalents £'000	Trade and other receivables £'000	Loans and receivables £'000
Neither past due nor individually impaired	242	8,632	10,958,623
Past due but not individually impaired	-	-	-
Individually impaired	-	-	-
Total	**242**	**8,632**	**10,958,623**
Impairment allowance	-	-	-
Total carrying amount	**242**	**8,632**	**10,958,623**
2014			
Neither past due nor individually impaired	261	7,459	10,447,884
Past due but not individually impaired	-	-	-
Individually impaired	-	-	-
Total	**261**	**7,459**	**10,447,884**
Impairment allowance	-	-	-
Total carrying amount	**261**	**7,459**	**10,447,884**

The loans and receivables (investor certificates) payment status in the table above has been classified according to the terms of the investment certificates rather than the underlying credit card receivables payment status. The payment status of the underlying credit card receivables is presented below.

Financial assets subject to credit risk neither past due nor individually impaired

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

2015	Strong £'000	Satisfactory £'000	Higher risk £'000	Total £'000
Cash and cash equivalents	242	-	-	242
Trade and other receivables	8,632	-	-	8,632
Loans and receivables (investor certificates)	9,310,992	1,647,631	-	10,958,623
Total	**9,319,866**	**1,647,631**	**-**	**10,967,497**
2014				
Cash and cash equivalents	261	-	-	261
Trade and other receivables	7,459	-	-	7,459
Loans and receivables (investor certificates)	8,876,863	1,571,021	-	10,447,884
Total	**8,884,583**	**1,571,021**	**-**	**10,455,604**

13. Financial risks (continued)

A strong rating indicates that there is a very high likelihood of the asset being recovered in full. Cash and cash equivalents have been classified as strong since it is on deposit with a third party that is an investment grade rated entity. Trade and other receivables are classified as strong as the amounts are due from related parties that are investment grade rated entities. Loans and receivables are classified according to corresponding asset backed note rating. Satisfactory loans and receivables include all unrated series certificates (all Class D notes) and represent a high likelihood that the asset will be recovered in full
and therefore there is no cause for concern to the Company. A higher risk rating would indicate that there is concern over the obligor's ability to make payments when due.

Disclosure of credit quality of underlying credit card receivables and Trust Principal Funding Account

The underlying credit card receivables forming the Trust's total securitisation pool amounted to £14.2 billion (2014: £13.6 billion) at 31 December 2015. Of the £14.2 billion (2014: £13.6 billion), the gross balance of underlying credit card receivables and Trust Principal Funding Account supporting the Company's investor certificates was approximately £10.9 billion (2014: £10.4 billion) at 31 December 2015 (see below for further detail on assets supporting the investor certificates). Each series of the Company's investor certificates rank pari passu with similar credit rated series of the other investor certificates issued by the Trust and the seller's (Barclays Bank PLC) interest. The seller's interest is represented by the remaining £4.2 billion (2014: £3.7 billion) of underlying credit card receivables of the Trust.

The credit risk of the investor certificates is ultimately related to the credit risk of the underlying credit card receivables. In addition, as the scheduled redemption dates for all Series (see note 8, Loans and receivables, for a description of the various series of investment certificates) vary from 2015 to 2020, the credit risk of the investor certificates is also related to the ability to accumulate the required principal collections on the underlying credit card receivables in the Trust in order to settle interest and principal payments due to investors by the scheduled redemption date for these series.

In this regard, a monthly assessment is conducted on the investment certificates related to all series to determine the appropriate accumulation period length. As of 31 December 2015, an accumulation period has commenced on Series 2011-1 of the investor certificates issued. During an accumulation period, the Trust is required to allocate and accumulate principal collections received on the revolving credit card receivables in a trust account called the Trust Principal Funding Account. The funds accumulated in the trust account will be used to redeem the investment certificates. As the principal collections in the account accumulate month on month, it reduces the credit risk of the investor certificates.

The table below represents the credit risk of the loans and receivables (investor certificates) held by the Company according to the payment status of the underlying credit card receivables:

2015	Notes	Credit card receivables £'000	Trust Principal Funding Account £'000	Total £'000
Neither past due nor impaired	(i)	9,670,395	919,581	10,589,976
Past due but not individually impaired	(ii)	321,983	-	321,983
Individually impaired assets	(iii)	46,664	-	46,664
Total		**10,039,042**	**919,581**	**10,958,623**
Impairment allowance		(141,961)	-	**(141,961)**
Total carrying value		**9,897,081**	**919,581**	**10,816,662**
2014				
Neither past due nor impaired	(i)	9,437,236	549,061	9,986,297
Past due but not individually impaired	(ii)	329,503	-	329,503
Individually impaired assets	(iii)	132,084	-	132,084
Total		**9,898,823**	**549,061**	**10,447,884**
Impairment allowance		(176,746)	-	**(176,746)**
Total carrying value		**9,722,077**	**549,061**	**10,271,138**

13. Financial risks (continued)

The carrying value of the £10.9 billion investor certificates is redeemed ultimately from the principal cash flows of the Company's share of the underlying revolving credit card receivables and cash accumulated in the Trust Principal Funding Account. The interest on the investor certificates is paid from the interest collected on the underlying revolving credit card receivables and the Trust Principal Funding Account deposit balances.

As at 31 December 2015, the carrying/book value of the underlying assets supporting the £10.9 billion of loans and receivables (investor certificates) is as follows:

Underlying asset	2015 £'000	2014 £'000
Gross revolving credit card receivables	10,039,042	9,898,823
Impairment allowance on revolving credit card receivables	(141,961)	(176,746)
Trust Principal Funding Account	919,581	549,061
Total carrying/book value supporting the investor certificates	**10,816,662**	**10,271,138**

The settlement of both the principal and the interest components of the Company's investor certificates are supported by:

- Accumulations of principal collections on the underlying credit card receivables in the Trust Principal Funding Account: Monthly accumulations reduce the credit risk of the underlying revolving credit card receivables and the associated impairment.

- Credit enhancement is provided to the Company's investor certificates through the issuance of Class D unrated certificates for all the Series.

- Revolving receivables and sellers interest continuously replenishing the credit card receivable balances being charged-off.

Settlement of each series of investor certificates prior to the scheduled redemption date is triggered by a drop in the three-month average excess spread of that series below 0%. Excess spread represents the surplus of cash flow from interest, fee, and interchange and recovery collections on the underlying receivables after deducting the financing costs paid to investors of the beneficial interest in the receivables (i.e., interest on the medium term notes), credit losses, contractual servicing fees, and other expenses. No such triggering event has occurred as at 31 December 2015. In such an event, the accumulated principal collections in the Trust Principal Funding Account would be used as the first source to settle the investor certificates. A credit enhancement is provided to Class A, A1 and A2 notes by using the Class D notes (issued in all Series) which bear the first loss of up to £1.65 billion. Any remaining losses will be borne by the Class A, A1 and A2 notes of all Series. The Class A, A1 and A2 notes rank pari passu to one another. The table below sets out key performance indicators (unaudited) relating to performance of the underlying receivables:

2015 Average	**Series 2011-1**	**Series 2012-1**	**Series 2012-3**	**Series 2012-4**	**Series 2013-1**	**Series 2013-2**	**Series 2013-3**	**Series 2014-1**	**Series 2014-2**	**Series 2015-1**	**Series 2015-2**
Yield	14.18%	4.86%	16.13%	12.36%	13.68%	16.13%	16.13%	16.13%	16.13%	21.89%	21.89%
Finance expense	2.52%	1.92%	2.23%	1.82%	1.74%	1.95%	2.05%	1.69%	1.62%	2.95%	3.10%
Charge-offs	3.02%	0.96%	3.45%	2.59%	2.98%	3.45%	3.45%	3.45%	3.45%	4.25%	4.25%
Excess spread	**8.65%**	**1.98%**	**10.45%**	**7.95%**	**8.97%**	**10.74%**	**10.64%**	**11.00%**	**11.07%**	**14.69%**	**14.54%**

2014 Average	**Series 2011-1**	**Series 2011-3**	**Series 2011-4**	**Series 2012-1**	**Series 2012-2**	**Series 2012-3**	**Series 2012-4**	**Series 2013-1**	**Series 2013-2**	**Series 2013-3**	**Series 2014-1**	**Series 2014-2**
Yield	15.85%	6.20%	13.73%	15.37%	3.07%	15.85%	15.85%	15.85%	15.85%	15.85%	17.17%	26.48%
Finance expense	2.60%	1.83%	2.53%	2.26%	1.75%	2.22%	1.97%	1.84%	1.94%	2.04%	1.88%	3.11%
Charge-offs	3.16%	1.22%	2.79%	3.07%	0.60%	3.16%	3.16%	3.16%	3.16%	3.16%	3.16%	5.06%
Excess spread	**10.09%**	**3.15%**	**8.41%**	**10.04%**	**0.72%**	**10.47%**	**10.72%**	**10.85%**	**10.75%**	**10.65%**	**12.13%**	**18.31%**

13. Financial risks (continued)

In assessing the default risk on the loans and receivables (investor certificates), the Company regularly reviews and evaluates forecasted payment rates and yield indicators, including excess spread, on the underlying revolving securitised credit card receivables.

The Company also assesses the external credit ratings of Barclays Bank PLC as Originator and Servicer of the underlying credit card receivables. Should the external credit ratings of Barclays Bank PLC drop below investment grade, cashflows on the underlying credit card receivables will be redirected to the Trust directly to mitigate any credit risk to the key performance indicators above.

The Company considered the revolving nature of the underlying card receivables, the sellers interest, the processes used during a Controlled Accumulation Period and the current and forecasted excess spread levels generated by the Company's share of the underlying credit card receivables and determined that it expects to collect all of the contractual principal and interest cash flows due on the investor certificates. The Controlled Accumulation Period is the process to set aside cash collateral to settle notes with a maturity in the next financial year. Based on this assessment the Directors are satisfied that the expected payments on the principal underlying revolving credit card receivables and Trust Principal

Funding Account totalling £10.9 billion (2014: £10.4 billion) will be sufficient to settle the loans and receivables (investor certificates) of £10.9 billion (2014: £10.4 billion) plus interest held by the Company to maturity, and therefore the investor certificates are not impaired.

(i) Credit card receivables and Trust Principal Funding Account balance subject to credit risk neither past due nor individually impaired

2015	Strong £'000	Satisfactory £'000	High risk £'000	Total £'000
Underlying credit card receivables	-	9,670,395	-	9,670,395
Trust Principal Funding Account	919,581	-	-	919,581
Total	919,581	9,670,395	-	10,589,976

2014				
Underlying credit card receivables	-	9,437,236	-	9,437,236
Trust Principal Funding Account	549,061	-	-	549,061
Total	549,061	9,437,236	-	9,986,297

(ii) Credit card receivables subject to credit risk past due but not individually impaired

An aged analysis of underlying credit card receivables that are past due but not individually impaired is set out below.

	Past due up to 1 month £'000	Past due 1-2 months £'000	Past due 2-3 months £'000	Past due 3-6 months £'000	Past due 6 months and over £'000	Total £'000
2015	131,111	53,366	39,566	96,251	1,689	321,983
2014	145,148	56,213	39,275	88,124	743	329,503

	Original carrying amount £'000	Impairment allowance £'000	Revised carrying amount £'000
2015	321,983	(127,940)	194,043
2014	329,503	(126,463)	203,040

The impairment allowance on these underlying credit card receivables have been assessed collectively.

(iii) Individually impaired credit card receivables

Individually impaired underlying credit card receivables are comprised of repayment plan book receivables and were as follows:

13. Financial risks (continued)

	Original carrying amount £'000	Impairment allowance £'000	Revised carrying amount £'000
2015	46,664	(14,021)	32,643
2014	132,084	(50,283)	81,801

The impairment allowance on these credit card receivables has been assessed individually.

(B) 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. In addition to considering performance of the underlying credit card receivables and the Trust Principal Funding Account and the ability of the Trust to pay interest/principal as due on the investor certificates, cash flow measurements and projections for the next day, week and month are also reviewed, as these are key periods for liquidity management. Sources of liquidity are regularly reviewed.

Contractual maturity of financial assets and liabilities on an undiscounted basis

The table below presents the financial assets and liabilities payable by the Company by remaining contractual maturities at the balance sheet date. The amounts disclosed in the table are the contractual undiscounted cash flows (principal and interest) of all financial assets and liabilities.

2015	<1mth £'000	1-3mths £'000	3mths-1yr £'000	1-5yrs £'000	>5yrs £'000	Total £'000
Cash and cash equivalents	242	-	-	-	-	242
Trade and other receivables	8,632	-	-	-	-	8,632
Loans and receivables	10,408	937,641	1,726,827	8,563,583	-	11,238,459
Borrowings	(10,408)	(937,641)	(1,726,827)	(8,563,583)	-	(11,238,459)
Other liabilities	(8,631)	-	-	-	-	(8,631)
Net Assets/(Liabilities)	**243**	-	-	-	-	**243**
2014						
Cash and cash equivalents	261	-	-	-	-	261
Trade and other receivables	7,459	-	-	-	-	7,459
Loans and receivables	10,198	843,228	2,274,551	7,560,399	-	10,688,376
Borrowings	(10,198)	(843,228)	(2,274,551)	(7,560,399)	-	(10,688,376)
Other liabilities	(7,481)	-	-	-	-	(7,481)
Net Assets/(Liabilities)	**239**	-	-	-	-	**239**

The Company's borrowings are limited recourse and therefore only repayable to the extent the Company receives payments under the investor certificates held by it.

(C) Market risk

Market risk is the risk that the Company's earnings or capital, or its ability to meet business objectives, will be adversely affected by changes in the level or volatility of market rates or prices such as interest rates, equity prices and foreign exchange rates.

13. Financial risks (continued)

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 finances its operations through the issue of medium term notes, which are denominated in pounds sterling at floating rates of interest. Interest incurred on borrowings is matched with interest earned on sterling-denominated (GBP) loans and receivables (investor certificates).

Series	Rates receivable on notes	Rates payable on notes
Series 2011-1	1 month sterling LIBOR plus 1.3523%	1 month sterling LIBOR plus 1.3523%
Series 2012-3	1 month sterling LIBOR plus 0.9684%	1 month sterling LIBOR plus 0.9684%
Series 2013-2	1 month sterling LIBOR plus 0.6876%	1 month sterling LIBOR plus 0.6876%
Series 2013-3	1 month sterling LIBOR plus 0.7876%	1 month sterling LIBOR plus 0.7876%
Series 2014-1	1 month sterling LIBOR plus 0.425%	1 month sterling LIBOR plus 0.425%
Series 2014-2	1 month sterling LIBOR plus 0.3562%	1 month sterling LIBOR plus 0.3562%
Series 2015-1	1 month sterling LIBOR plus 0.5270%	1 month sterling LIBOR plus 0.5270%
Series 2015-2	1 month sterling LIBOR plus 0.6120%	1 month sterling LIBOR plus 0.6120%

Interest rate sensitivity gap analysis

The sensitivity of the Statement of Comprehensive Income 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 liabilities held at 31 December.

Impact on net interest income
The impact of a 25 basis point increase or decrease in interest rates on net interest income is as follows:

	2015		2014	
	+25 basis points £'000	-25 basis points £'000	+25 basis points £'000	-25 basis points £'000
Loans and receivables	27,397	(27,397)	26,120	(26,120)
Borrowings	(27,397)	27,397	(26,120)	26,120
Total	-	-	-	-

Re-pricing occurs on a monthly basis, with changes in the one month sterling LIBOR rates for the series in line with the interest rate table above.

14. Fair value of financial instruments

The fair value of financial instruments 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 following table summarises the fair value of financial assets and liabilities measured at amortised cost on the Company's balance sheet where the carrying amount is not a reasonable approximation of fair value and analyses those fair values.

	Notes	2015 Carrying Amount £'000	2015 Fair Value £'000	2014 Carrying Amount £'000	2014 Fair Value £'000
Financial assets					
Loans and receivables	(a)	10,958,623	10,823,261	10,447,884	10,423,163
Financial liabilities					
Borrowings	(b)	10,958,623	10,823,261	10,447,884	10,423,163

14. Fair value of financial instruments (continued)

The fair value of financial assets and liabilities measured at amortised cost which are not included in the table above is the same as their carrying amounts.

Notes

(a) Loans and receivables are fair valued using the following techniques:
   i. Observable market prices for similar rated Class A, A1 and A2 listed notes where available.
   ii. Discounted cash flow valuation techniques for Class A and Class D notes where there are no similar listed notes trading in the market. The discount rate used was based on interest rate curves for similar AAA and BB securities quoted by independent third parties.

(b) Borrowings are fair valued using the following techniques:
   i. Observable market prices for similar rated Class A, A1 and A2 listed notes where available.
   ii. Discounted cash flow valuation techniques for Class A Class D notes where there are no similar listed notes trading in the market. The discount rate used was based on interest rate curves for similar AAA and BB securities quoted by independent third parties.

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.

Valuations based on observable inputs

Quoted market prices - Level 1

Financial instruments 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

Financial instruments classified as Level 2 have been valued using models whose inputs are observable in an active market. Valuations based on observable inputs include financial instruments 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.

Valuations based on unobservable inputs

Valuation technique using significant unobservable inputs - Level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The following table shows the fair value of financial assets and liabilities measured at amortised cost analysed by fair value hierarchy and balance sheet classification:

2015	FV £'000	Quoted Market Prices (Level 1) £'000	Observable Inputs (Level 2) £'000	Significant unobservable Inputs (Level 3) £'000
Financial assets				
Loans and receivables	10,823,261	-	1,526,931	9,296,330
Financial liabilities				
Borrowings	(10,823,261)	-	(1,526,931)	(9,296,330)

14. Fair value of financial instruments (continued)

2014	FV £'000	Quoted Market Prices (Level 1) £'000	Observable Inputs (Level 2) £'000	Significant unobservable Inputs (Level 3) £'000
Financial assets				
Loans and receivables (a)	10,423,163	-	3,088,478	7,334,685
Financial liabilities				
Borrowings (b)	(10,423,163)	-	(3,088,478)	(7,334,685)

Level 3 loans and receivables increased during the year due to the purchase of additional investor certificates during 2015. In order to fund the purchase of additional loans and receivables, additional Level 3 medium term notes were issued during 2015.

15. Related party transactions

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

The definition of related parties includes parent company, ultimate parent company, subsidiary, associated and joint venture companies, as well as the Company's key management which includes its Directors. Particulars of transactions, and the balances outstanding at the year end, are disclosed in the tables below.

Structured Finance Management Limited holds 12,500 B ordinary shares in the Company which represents 100% ownership of that class of shares and entitles it to 49% of the total voting rights and 51% of the distributions. Structured Finance Management Limited holds the B ordinary shares on a discretionary trust basis for the benefit of certain charities. Barclays Bank PLC owns 100% of the A ordinary shares in the Company which entitles it to 51% of the total voting rights and 49% of the distributions.

The Company receives Directors services, administration, finance, tax and other support from Barclays Bank PLC for which no charges are made.

Related party transactions are as follows:

	2015 £'000	2014 £'000
Asset / (liability)		
Cash at Bank with Barclays Bank PLC	-	261
Debtor with Barclays Bank PLC	27	5
Loans and receivables with Gracechurch Receivables Trustee Limited	10,958,623	10,447,884
Interest receivable from Gracechurch Receivables Trustee Limited	8,605	7,454
Borrowings from Gracechurch Card Programme Funding PLC	(10,958,623)	(10,447,884)
Interest payable to Gracechurch Card Programme Funding PLC	(8,605)	(7,454)
Prepayment with Structured Finance Management Limited	3	3

15. Related party transactions (continued)

	2015 £'000	2014 £'000
Income Statement		
Bank charges payable to Barclays Bank PLC	(2)	(2)
Interest earned on loans and receivables from Gracechurch Receivables Trustee Limited	113,987	124,600
Interest earned on loans and receivables from Barclays Bank PLC	100	94
Interest on borrowings from Gracechurch Card Programme Funding PLC	(113,982)	(124,595)
Professional fees payable to Structured Finance Management Limited for Directors services	(16)	(16)

	2015 £'000	Restated (per note below) 2014 £'000
Cashflows		
Redemption of loans and receivables with Gracechurch Receivables Trustee Limited	3,018,673	2,244,534
Purchase of loans and receivables with Gracechurch Receivables Trustee Limited	-	(750,000)
Redemption of borrowings with Gracechurch Card Programme Funding PLC	(3,018,673)	(2,244,534)
Proceeds from borrowings with Gracechurch Card Programme Funding PLC	-	750,000

Non-cash transactions

The Company issued medium term notes and invested in investment certificates relating to Series 2014-1 Class D, Series 2014-2 Class A and D, Series 2015-1 Class A and D and Series 2015-2 Class A and D which were settled free of cashflow and hence are not reflected in the cashflow statement. 2014 comparatives have been amended as follows:

- Purchase of investor certificates has been amended to £0.75 billion from £2.77 billion; and
- Issuance of medium term notes has been amended to £0.75 billion from £2.77 billion.

The amendment has also been reflected on the face of the cashflow statement and has no other impact to the financial statements.

16. Events after the balance sheet date

Investor certificates related to Series 2011-1 (£920m) were redeemed by the Company on the scheduled redemption date of 15 January 2016. A corresponding amount of medium-term note liabilities relating to the same series were settled on the same date.

17. Capital management

The Company's principal objectives when managing capital are:

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

The Board of Directors is responsible for capital management and has approved minimum control requirements for capital and liquidity risk (note 13b) management.

The capital levels maintained are in line with the Company's offering documents, the Memorandum and Articles of Association and the requirements of the Companies Act 2006. The company does not have externally imposed capital requirements to which it is subject.

The Company regards as capital it's paid up share capital of £12,502 (2014: £12,502) as shown in the balance sheet.

18. Parent undertaking and ultimate holding company

The immediate parent of the Company is Barclays Bank PLC. The parent undertaking of the smallest group that presents group financial statements in which the Company is included is Barclays Bank PLC. The ultimate holding company and the parent company of the largest group that presents group financial statements in which the Company is included is Barclays PLC.

Barclays Bank PLC and Barclays PLC are incorporated in the United Kingdom and registered in England. The statutory financial statements of Barclays Bank PLC and Barclays PLC are available from Barclays Corporate Secretariat, 1 Churchill Place, London, E14 5HP, England.