

DELIBERATIVE STUDY OF FINANCIAL MANAGEMENT OF BARCLAYS COMPANY

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Abstract

Financial management is very important for any kind of organization. In all over the world, all kind of finance has been managed by different way. Furthermore, there is a policy of financial management is also very different. This leads us to study financial management of very specific and special types of company. For that we have done deliberative study of financial management of Barclay Company which is located in UK. This paper provides best study of financial management of company listed here.

Keywords : Finance, Management, Corporate Management, Accounting

1. Introduction

Investment it is observed as lifeblood of the administration. Without finance the firm can't be existing. It refers to the economic assets which are essential for run the commercial effortlessly. The field of finance refers to the concepts of time, money and risk Finance is used by individuals (personal finance), by governments (public finance), by businesses (corporate Finance), as well as by a wide variety of organizations including schools and non-profit organizations. In general, the goals of each of the above activities are achieved through the use of appropriate financial instruments, with consideration to their institutional setting. The company can issue the Equity shares, preference shares and debentures for getting the public finance in the company. [Pandey I.M. 1996]

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2. Profit and loss account

Barclays Wealth profit before tax increased 14% to £163m (2009: £143m). Income increased 18% to £1,560m (2009: £1,322m) principally from development in the Tall Net Wealth industries and higher attributable net interest income from the revised internal funds pricing mechanism. Net interest income increased 35% to £678m (2009: £503m), mostly due to changes in internal funds pricing which gives credit for the behaviourally long-term deposits held by Barclays Wealth. The net interest margin increased to 122bps (2009: 102bps). This reflects the increase in the liabilities margin from 96bps to 129bps as well as the reduction in the asset margin from 101bps to 81bps. Customer accounts grew 17% to £44.8bn (2009: £38.4bn) and loans and advances to customers grew 24% to £16.1bn (2009: £13.0bn). [Anon. (2010) Analysis Report [Online].

Profit & Loss			
Year Ended 31 December	2010	2009	
<i>£ millions</i>			
Turnover	32204.0	29954.0	
Operating Profit	5926.0	4363.0	
Net Interest	n/a	n/a	
Profit Before Tax	6065.0	4585.0	
Profit After Tax	4549.0	3511.0	
Total Dividend	n/a	n/a	
Retained Profit / Loss	n/a	n/a	

Figure 1 : Profit and Loss Account of Barclays

3. Analysis on the basis of p&l a/c

Barclays Plc is a chief worldwide monetary facilities corporation founded in London. In 2010, the firm was slow as existence the tenth principal investment and monetarist Amenities Business in the biosphere by Forbes. Barclays Wealth is the wealth management division of Barclays. It emphasizes on secluded and intermediate clients international, providing worldwide and isolated banking, speculation organization, fiduciary facilities and brokerage. It has offices in Europe, North America, Asia and Africa.

- Proceeds of 29,954 million in FY2009
- Operating income of 4,337 million in FY2009

- Net profit of 9,393 shedload in FY2009

In this functioning development, Aruvian's Examination brings a wide-rangingscrutiny of the Barclays Plc.

The bangStudy of Barclays Plc from Aruvian's Research is aextremelywidespread research analysis on the Barclays Plc and its competitors:

- Ireland Bank
- Bank AGDeutsche
- Holdings Plc HSBC
- Banks of Allied Irish

[Annual profit statement (2010) 'Analysis of annual report ' [ONLINE].]

4. Balance sheet statement

Balance sheet is considered as the net worth of the business and helps the company to measure and remain stable in the financial powers. The balance sheet of the BARCLAYS Co. Is as follows:

Balance Sheet		
Year Ended 31 December	2010	2009
<i>£ millions</i>		
Intangible Assets	8697.0	8795.0
Tangible Assets	6140.0	5626.0
Fixed Investments	65628.0	56905.0
Total Fixed Assets	711136.0	682053.0
Stocks	n/a	n/a
Debtors	n/a	n/a
Cash at Bank and in Hand	n/a	n/a
Total Assets	1489.0	1378.0
Creditors Amount Within 1 year	n/a	n/a
Creditors Amount After 1 year	n/a	n/a
Total Liabilities	1427.0	1320.0
Net Assets	62262.0	58478.0
Net Current Assets	n/a	n/a
Called Up Share Capital	4353.0	2853.0
Share Premium Account	7986.0	7951.0
Other Reserves	1754.0	2628.0
Profit and Loss Account	36765.0	33845.0
Shareholders Funds	50858.0	47277.0
Minority Interests	11404.0	11201.0

Figure 2 : Balance Sheet of Barclay

5. Analysis on the basis of balance sheet

Total assets increased £111bn to £1,490bn in 2010. The biggest increases were in cash and balances at central banks, trading portfolio assets and reverse repurchase lending. Loans and advances increased by £4bn and derivative assets and liability balances increased marginally.

Absa is accomplishment well in a problematic financial climate, and is progressively combined into the network of Barclays. Absa is a key source of competitive advantage for Barclays in its aim to be the greatest comprehensive pan-African group to retail and institutional clients.

[Anon. (2010) balance sheet [Online]

6. Barclays q1 interim management statement:

Barclays is a leading global provider of financial services in marketing investment, recognition postcards, commercial and speculation investment and prosperity administration through an widespread intercontinental occurrence in Europe, America, Africa and Asia. Through finished 300 years of antiquity and know-how in investment, Barclays functions in over 50 republics and employments over 144,000 individuals. Barclays interchanges, advances, participates and defend currency for 48 truckload consumers international.

[Anon. (2010) Barclays Q1 Interim Management Statement [Online].

7. Barclays takes part in the swift international banking :

Barclays Corporate representatives attend the event, including John Winter, CEO, Carol Machell, Director of Infrastructure, Tan Kah Chye, Head of Employment and Employed Capital and Financial Institutions team. They will join their counterparts at Barclays Capital and Absa, and representatives of other financial institutions, multinational corporations and high-tech companies. Over 7,000 people are expected to attend the event.

[Falling Eagle: The Decline of Barclays Bank]

Barclays Corporate is organizing an exhibition at the conference to showcase their products and services. It also will host a symposium activities including global customers, where the main business leaders within Barclays will present on key issues affecting the industry today, customer

briefings in payments and financing trade as well as several networking events. More than 250 meetings with clients with pre-defined, carry out programs to help distribute the income of the company.

8. CONCLUSION:

UK Barclays (UKB) profit before tax increased 39% to £989m (2009: £710m), counting a £100m improvement on the attainment of Standard Life Bank, with good income growth and lower impairment charges more than offsetting an increase in operating expenses. Income increased 6% to £4,518m (2009: £4,276m). Impairment charges decreased 21% to £819m (2009: £1,031m), reflecting good risk organisation and refining financial circumstances. As a result, net income grew 14% to £3,699m (2009: £3,245m). Operating expenses increased 11% to £2,809m (2009: £2,538m), reflecting higher pension costs, the impact of the acquisition of Standard Life Bank and increased regulatory-related costs. Excluding these items, operating expenses were in line with prior year.

the company asked small business owners about their plans for expansion, cost reduction and thoughts on debt. An interesting picture of the realities of running a small business emerged as a result.

As wave 1, 53% of small business owners plan to expand its business, although a few opted for the more extreme response, which may indicate only small-scale expansion.

The most popular answer was to spend the same or consolidate, which was responsible for 36% of small business owners.

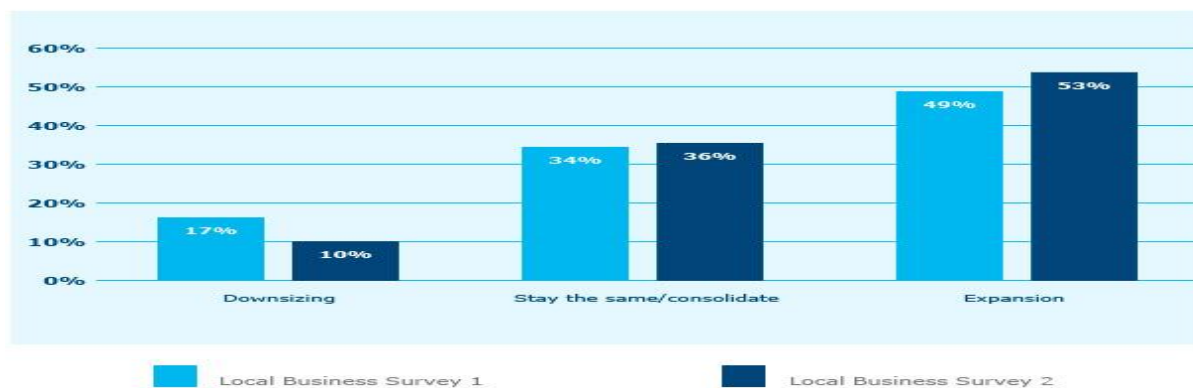


Figure 3 : Analysis of Survey

As shown in the chart above, the picture is a little more positive in Wave 2. Many companies are looking to expand, with less looking to downsize.

Of those who are optimistic about the future, 80% base their feelings in a successful business strategy while 51% think that the financial situation of your business will see through.

About half also cited the general economic climate as a reason for confidence, indicating that some small business owners are more optimistic about the economy as a whole.

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