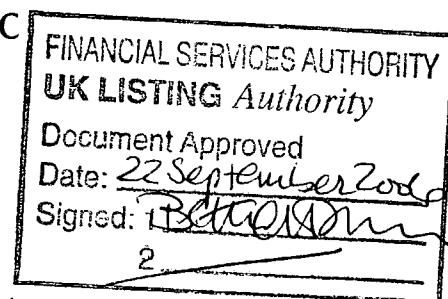

Gracechurch Card Notes 2006-A PLC

Issuer

Barclays Bank PLC

Transferor, Servicer and Trust Cash Manager

€60,000,000 Class A1 Floating Rate Asset-Backed Notes
£71,500,000 Class A2 Floating Rate Asset-Backed Notes



Class	Interest Rate	Price To Public Per Note	Underwriting Discount Per Note	Proceeds To Issuer Per Note
A1	one-month EURIBOR plus 2.45% annually	100%	1.50%	€49,250
A2	one-month sterling LIBOR plus 2.45% annually	100%	1.50%	£49,250

- The ultimate source of payment on the notes will be collections on consumer credit and charge card accounts owned by Barclaycard and opened in the United Kingdom.
- The transaction documents will be governed by the laws of England and Wales.
- A separate currency swap for each of the Class A1 notes will be used to convert the sterling amounts received from the series 06-1 medium term note certificate into euro amounts for payment on the notes.

Please consider carefully the risk factors beginning on page 15 in this prospectus.

A note is not a deposit and neither the notes nor the underlying receivables are insured or guaranteed by any United Kingdom governmental agency.

The notes offered in this prospectus will be obligations of the issuer only. The issuer will only have a limited pool of assets to satisfy its obligations on the notes. The notes will not be obligations of Barclays Bank PLC or any of its affiliates.

None of the notes offered hereby have been or will be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or any U.S. state securities laws. The notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("Regulation S")), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. The notes are being offered and sold only outside the United States in compliance with Regulation S and the applicable laws of the jurisdictions where those offers and sales occur. See "Underwriting".

This prospectus is given in compliance with the prospectus rules made by the UK Listing Authority under the Financial Services and Markets Act 2000, as amended by the Prospectus Regulations 2005 for the purpose of giving information with regard to the issuer and the notes. We have applied to the UK Listing Authority to have the notes related to series 06-1 listed and to the gilt edged and fixed interest market of the London Stock Exchange plc to have the notes related to series 06-1 admitted to trading. The gilt edged and fixed interest market of the London Stock Exchange is a regulated market for the purpose of Investment Services Directive 16/93/22/EC (the "regulated market of the London Stock Exchange").

Underwriters of the Class A Notes

Barclays Capital

22 September 2006

Important Notice About Information Presented In This Prospectus

We include cross-references to captions in this prospectus where you can find further related discussions. The following table of contents provides the pages on which these captions are located.

Table Of Contents

Prospectus Summary.....	5
Series Structure.....	5
Program Structural Summary.....	6
Structural Diagram of Barclays Bank PLC Securitisation Program.....	7
The Issuer.....	8
The Note Trustee, Principal Paying Agent and Agent Bank.....	8
The Notes.....	8
Previous Series.....	8
The Closing Date.....	11
The MTN Issuer and Initial Investor Beneficiary.....	11
The Medium Term Note Certificate.....	11
The Security Trustee.....	12
The Receivables.....	12
The Initial Transferor, Servicer, Trust Cash Manager and Excess Interest Beneficiary.....	12
The Receivables Trustee.....	13
The Receivables Trust.....	13
The Investor Certificate.....	13
The Swap Counterparty.....	13
Swap Agreement.....	13
Optional Early Redemption.....	14
Notices.....	14
U.S. Transfer Restrictions.....	14
Ratings of the Notes.....	14
Application for Admission to the Official List and Admission to Trading.....	14
Stabilisation.....	14
Risk Factors.....	15
Introduction.....	33
Currency Presentation.....	33
The Issuer.....	34
Directors and Secretary.....	34
Capitalisation and Indebtedness.....	35
Management's Discussion and Analysis of Financial Conditions and Results of Operation	35
Use Of Proceeds.....	35
Expenses Loan Agreement.....	36
The MTN Issuer.....	37
Capitalisation and Indebtedness.....	37
Directors and Secretary.....	40
Litigation.....	41
The Receivables Trustee.....	42
Directors and Secretary.....	42
Management and Activities.....	42
Litigation.....	43
Barclays Bank PLC.....	44
Business.....	44
Credit Card Usage in the United Kingdom.....	45
Barclaycard and the Barclaycard Card Portfolio.....	45
General.....	45
Acquisition and Use of Credit Card Accounts.....	45
Description of Processing.....	46
Billing and Payment.....	46
Delinquency and Loss Experience.....	47

Delinquency Experience Securitised Portfolio.....	48
Loss Experience Securitised Portfolio	49
The Receivables.....	50
Assignment of Receivables to the Receivables Trustee.....	50
Redesignation and Removal of Accounts.....	52
Discount Option Receivables	53
Special Fees and Annual Fees.....	53
Interchange	54
Reductions in Receivables, Early Collections and Credit Adjustments	54
Representations.....	54
Amendments to Card Agreement and Card Guidelines.....	56
Summary of Securitised Portfolio	57
Composition by Account Balance – Securitised Portfolio	58
Composition by Credit Limit – Securitised Portfolio	58
Composition by Account Age – Securitised Portfolio	59
Geographic Distribution of Accounts – Securitised Portfolio	59
Maturity Assumptions.....	60
Cardholder Monthly Payment Rates – Securitised Portfolio.....	60
Receivables Yield Considerations	60
Cardholder Monthly Accrued Yields Bank Portfolio.....	62
The Receivables Trust	63
General Legal Structure.....	63
The Receivables Trust’s Property	65
General Entitlement of Beneficiaries to Trust Property	65
Allocation and Application of Collections	66
Acquiring Additional Entitlements to Trust Property and Payments for Receivables.....	68
Non-Petition Undertaking of Beneficiaries	69
Trust Pay Out Events.....	69
Termination of the Receivables Trust.....	71
Amendments to the Declaration of Trust and Trust Cash Management Agreement	71
Disposals.....	71
Trustee Payment Amount	72
Servicing of Receivables and Trust Cash Management	73
General – Servicing	73
General – Trust Cash Management	74
Servicing and Trust Cash Manager Compensation.....	74
Termination of Appointment of Servicer	75
Termination of Appointment of Trust Cash Manager.....	77
Series 06-1	80
General.....	80
Beneficial Entitlement of the MTN Issuer to Trust Property other than in respect of the Excess Interest	80
Allocation, Calculation and Distribution of Finance Charge Collections to the MTN Issuer	82
Class A1 Investor Interest	83
Class A2 Investor Interest	88
Application of Class A1 Available Funds and Class A2 Available Funds	89
Revolving Period.....	91
Regulated Amortisation Period.....	91
Partial Amortisation Period.....	92
Rapid Amortisation Period.....	93
Allocation, Calculation and Distribution of Principal Collections to the MTN Issuer	93
Unavailable Principal Collections	96
Shared Principal Collections.....	96
Defaulted Receivables; Investor Charge-Offs.....	97
Reallocated Class A Principal Collections	97
Excess Spread	98
Extra Amount	98
Aggregate Investor Indemnity Amount.....	99
Spread Account	99

Distribution Ledgers.....	101
Trustee Payment Amount	101
Qualified Institutions	101
Series 06-1 Pay Out Events.....	102
Entitlement of MTN Issuer to Series 06-1 Excess Interest	104
Your Payment Flows.....	105
The Trust Deed.....	111
The Notes and the Global Certificates.....	112
Terms and Conditions of The Notes.....	114
The Swap Agreement.....	126
General.....	126
Common Provisions of the Swap Agreement	126
Taxation.....	128
The Medium Term Note Certificate.....	129
Material Legal Issues.....	133
Insolvency Act 2000	133
The Enterprise Act.....	133
Material Legal Aspects of The Receivables	134
Consumer Credit Act 1974.....	134
Transfer of Benefit of Receivables.....	135
United Kingdom Taxation Treatment of The Notes	136
Overview	136
Taxation of Interest Paid.....	136
Provision of Information	136
European Union Directive on the Taxation of Savings Income	136
Other Rules Relating to United Kingdom Withholding Tax.....	137
Stamp Duty and Stamp Duty Reserve Tax	137
Underwriting.....	138
United States of America.....	138
United Kingdom.....	139
The Netherlands.....	139
Spain.....	139
Republic of Italy.....	139
General.....	139
Ratings Of The Notes	140
Reporting Accountants	140
Legal Matters	140
Reports To Noteholders.....	140
Listing And General Information	140
ISINS.....	142
Litigation and Change in Circumstances.....	142
Significant or Material Change.....	142
Documents Available for Inspection.....	142
Index Of Terms For Prospectus.....	145
Index Of Appendices.....	150
Appendix A – Accountants Report for Gracechurch Card Notes 2006-A PLC.....	A-1
Appendix B – Financial Statements of Barclaycard Funding PLC for the year ended 31 December 2005 and the year ended 31 December 2004.....	B-1

Prospectus Summary

The following is a brief overview of the key aspects of the Class A1 notes and the Class A2 notes (together, the Class A1 notes and the Class A2 notes are the class A notes), which we refer to collectively as the notes. We refer to the class A1 notes as the euro notes. We refer to the Class A2 notes as the sterling notes. You need to read all of this prospectus to fully understand the terms of the notes.

Series Structure

<i>Class of Notes</i>	<i>Initial Principal Balance</i>	<i>% of Total</i>
Class A1	€60,000,000	36%
Class A2	£71,500,000	64%

	<i>Class A1 Notes</i>	<i>Class A2 Notes</i>
Anticipated Ratings:	“BB” from Moody’s and “Ba1” from Standard & Poor’s.	“BB” from Moody’s and “Ba1” from Standard & Poor’s.
Credit Enhancement:	Spread Account.	Spread Account.
Interest Rate:	one-month EURIBOR, plus 2.45 per cent. annually, except for the first interest period where EURIBOR will be based on the linear interpolation of 2-month and 3-month EURIBOR.	one-month sterling LIBOR, plus 2.45 per cent. annually, except for the first interest period where sterling LIBOR will be based on the linear interpolation of 2-month and 3-month sterling LIBOR
Interest Accrual Method:	Actual/360.	Actual/365/366.
Interest Payment Dates:	The 15th day of each calendar month or if that day is not a business day, the next business day after the 15th.	The 15th day of each calendar month or if that day is not a business day, the next business day after the 15th.
First Interest Payment Date:	15 December 2006 interest payment date.	15 December 2006 interest payment date.
Scheduled Redemption Date*:	15 October, 2010 interest payment date.	15 October, 2010 interest payment date.
Legal Final Redemption Date:	15 October, 2012 interest payment date.	15 October, 2012 interest payment date.
Clearance/Settlement:	Euroclear/Clearstream, Luxembourg.	Euroclear/Clearstream, Luxembourg.
Minimum Denomination:	€50,000	£50,000

*The notes may also be subject to partial redemption prior to the scheduled redemption date. See “Series 06-1”.

Program Structural Summary

The following is a brief summary description of the Barclaycard securitisation program, of which your notes will form a part.

Barclaycard, a division of Barclays Bank PLC (called “Barclays”), has previously assigned all of its present and future beneficial interest in receivables in designated revolving credit and charge card accounts owned by Barclaycard and opened in the United Kingdom. Only the receivables were assigned. The accounts were retained by Barclaycard.

The receivables were assigned to a special purpose company, incorporated in Jersey, Channel Islands, acting as receivables trustee. The receivables trustee holds the receivables on trust for Barclaycard, as transferor beneficiary and excess interest beneficiary, and a special purpose subsidiary of Barclays called the “MTN Issuer”, as investor beneficiary. Barclaycard will transfer its entitlement to receive excess interest attributable to series 06-1 to the MTN Issuer.

The receivables trustee may issue multiple series of investor certificates to the MTN Issuer. Each series of investor certificates will represent an undivided beneficial interest in the receivables trust.

They will entitle the MTN Issuer to payments of interest and principal payable from collections on the receivables.

The MTN Issuer will finance its acquisition of an undivided beneficial interest in the receivables trust, evidenced by the issuance of each series of investor certificates, by issuing series of limited recourse medium term notes or certificates to individual issuers and credit enhancement providers, if any. The limited recourse nature of the medium term notes or certificates will ensure that the MTN Issuer is only ever liable under a series of medium term notes or certificates for payments of principal and interest equal to what is paid under the corresponding series of investor certificates.

The issuers, in turn, will finance their purchases of each series of medium term notes or certificates by issuing series of notes to investors. Your series of notes, series 06-1, will be the twelfth series of notes issued under this program.

The Issuer

Gracechurch Card Notes 2006-A PLC is a public limited company incorporated in England and Wales. Its registered office is at 1 Churchill Place, London E14 5HP. Its telephone number is +44 (0)207 116 1000.

The issuer is a newly created special purpose company. One share of the issuer is held by a share trustee under the terms of a share declaration of trust. The remaining issued shares of the issuer are held by Gracechurch Card (Holdings) Limited. The shares of Gracechurch Card (Holdings) Limited are in turn held by SFM Corporate Services Limited as trustee for a charitable trust. The purpose of the issuer is to issue the notes which represent its asset-backed debt obligations. The issuer will not engage in any unrelated activities.

This prospectus is given in compliance with the prospectus rules made by the UK Listing Authority under the Financial Service and Markets Act 2000, as amended by the Prospectus Regulations 2005 (the "Prospectus Rules") for the purposes of giving information about the issuer and the notes. The issuer accepts responsibility for the information contained in this document. To the best of the knowledge and belief of the issuer, which has taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. The issuer accepts responsibility accordingly.

The Note Trustee, Principal Paying Agent and Agent Bank

The note trustee, principal paying agent and agent bank is The Bank of New York acting through its London branch. The note trustee will act as trustee for the noteholders under the trust deed. The principal paying agent will make payments on the notes. The agent bank will calculate the interest rate on the notes. The Bank of New York, London branch's address is One Canada Square, London E14 5AL, United Kingdom. Its telephone number is +44 (0)207 570 1784.

The Notes

In this document, we are offering one class of notes, divided into two tranches:

- Class A1 floating rate asset-backed notes with an initial principal balance of €60,000,000.
- Class A2 floating rate asset-backed notes with an initial principal balance of £71,500,000.

The notes represent asset-backed debt obligations of the issuer. The notes are secured by payments received by the issuer from the series 06-1 medium term note certificate and payments received from the swap counterparty. The issuer's ability to make these payments will ultimately be dependent upon collections Barclaycard receives on the receivables.

We will issue the notes under the trust deed. The notes will also be subject to a paying agency and agent bank agreement. The security for the notes will be created under a deed of charge and a pledge agreement between the issuer and the note trustee. The terms and conditions of the notes will be contained in the trust deed.

The Class A1 notes will rank *pari passu* with the Class A2 Notes.

If there is an event of default under the notes, the note trustee, on your behalf, can appoint a receiver of the issuer who would continue to collect amounts paid by the MTN Issuer under the series 06-1 medium term note certificate. The note trustee would also be able to sell the series 06-1 medium term note certificate. In addition, pursuant to the trust deed, the note trustee may give an enforcement notice to the issuer declaring the notes to be immediately due and payable. A declaration that the notes have become immediately due and payable will not, of itself, accelerate the timing or amount of redemption of the notes.

In this prospectus, we will refer to the owners of interests in the class A notes as the class A noteholders and as the noteholders.

Previous Series

Eleven previous series of notes have been issued by eleven previous note issuers, Gracechurch Card Funding (No. 1) PLC through Gracechurch Card Funding (No. 11) PLC respectively, in relation to the receivables trust. The first series, called series 99-1, was issued on 23 November 1999 and repaid in November 2002. Series 99-1 is described in more detail at Appendix G. The second series, called 02-1, was issued on 24 October 2002. The third series, called 03-1, was issued on 8 April 2003. The fourth series, called 03-2, was issued on 13 June 2003 and repaid on 15 June 2006.

Series 03-2 is described in more detail at Appendix G. The fifth series, called 03-3, was issued on 18 September 2003 and repaid on 15 August 2006. Series 03-3 is described in more detail at Appendix G. The sixth series, called 04-1, was issued on 11 March 2004. The seventh series, called 04-2 was issued on 23 November 2004. The eighth series, called 05-1, was issued on 21 June 2005. The ninth series, called 05-2, was issued on 20 September 2005. The tenth series, called 05-3, was issued on 17 October 2005. The eleventh series, called 05-4, was issued on 22 November 2005. Series 02-1, Series 03-1, Series 04-1, Series 04-2, Series 05-1, Series 05-2, Series 05-3 and Series 05-4 are described in more detail at Appendix J.

The proceeds of the series 99-1 notes were used by Gracechurch Card Funding (No. 1) PLC to purchase, respectively, corresponding series of medium term notes issued in three classes, which we shall refer to as the “**series 99-1 medium term notes**”, issued by the MTN Issuer. The series 99-1 medium term notes issued by the MTN Issuer were called the class A medium term note, the Class B medium term note and the class C medium term note, respectively. The MTN Issuer invested the proceeds from the issue of the series 99-1 medium term notes in the receivables trust by paying the proceeds to the receivables trustee and becoming an investor beneficiary with an aggregate investor interest in the receivables trust. This aggregate investor interest entitles the MTN Issuer to payments arising out of its entitlement to receivables in the receivables trust.

The class A medium term note, the class B medium term note and the class C medium term note were each secured in favour of a trustee for the benefit of the secured creditors in relation to the class A notes, the class B notes and the class C notes of series 99-1. The security for each class of notes issued for series 99-1 was the class A medium term note, the class B medium term note and the class C medium term note, respectively. Series 99-1 was finally repaid in full on the interest payment date falling in November 2002.

The proceeds of the series 02-1 notes were used by Gracechurch Card Funding (No. 2) PLC to purchase a corresponding series medium term note certificate, which we shall refer to as the “**series 02-1 medium term note certificate**”, issued by the MTN Issuer. The MTN Issuer invested the proceeds from the issue of the series 02-1 medium term note certificate in the receivables trust by paying the proceeds to the receivables trustee and becoming an investor beneficiary with an aggregate investor interest in the receivables trust. This aggregate investor interest entitles the MTN Issuer to payments arising out of its entitlement to receivables in the receivables trust.

The series 02-1 medium term note certificate is secured in favour of a trustee for the benefit of the secured creditors in relation to the class A notes, the class B notes and the class C notes of series 02-1. The security for each class of notes issued for series 02-1 is the series 02-1 medium term note certificate. The security for the notes issued for series 02-1 is not cross-collateralised with the security for your notes.

The proceeds of the series 03-1 notes were used by Gracechurch Card Funding (No. 3) PLC to purchase a corresponding series medium term note certificate, which we shall refer to as the “**series 03-1 medium term note certificate**”, issued by the MTN Issuer. The MTN Issuer invested the proceeds from the issue of the series 03-1 medium term note certificate in the receivables trust by paying the proceeds to the receivables trustee and becoming an investor beneficiary with an aggregate investor interest in the receivables trust. This aggregate investor interest entitles the MTN Issuer to payments arising out of its entitlement to receivables in the receivables trust.

The series 03-1 medium term note certificate is secured in favour of a trustee for the benefit of the secured creditors in relation to the class A notes, the class B notes and the class C notes of series 03-1. The security for each class of notes issued for series 03-1 is the series 03-1 medium term note certificate. The security for the notes issued for series 03-1 is not cross-collateralised with the security for your notes.

The proceeds of the series 03-2 notes were used by Gracechurch Card Funding (No. 4) PLC to purchase a corresponding series medium term note certificate, which we shall refer to as the “**series 03-2 medium term note certificate**”, issued by the MTN Issuer. The MTN Issuer invested the proceeds from the issue of the series 03-2 medium term note certificate in the receivables trust by paying the proceeds to the receivables trustee and becoming an investor beneficiary with an aggregate investor interest in the receivables trust. This aggregate investor interest entitled the MTN Issuer to payments arising out of its entitlement to receivables in the receivables trust.

The series 03-2 medium term note certificate is charged in favour of a trustee for the benefit of the noteholders in relation to the class A notes, the class B notes and the class C notes of series 03-2. The security for each class of notes issued for series 03-2 is the series 03-2 medium term

note certificate. The security for the notes issued for series 03-2 is not cross-collateralised with the security for your notes.

The proceeds of the series 03-3 notes were used by Gracechurch Card Funding (No. 5) PLC to purchase a corresponding series medium term note certificate, which we shall refer to as the “**series 03-3 medium term note certificate**”, issued by the MTN Issuer. The MTN Issuer invested the proceeds from the issue of the series 03-3 medium term note certificate in the receivables trust by paying the proceeds to the receivables trustee and becoming an investor beneficiary with an aggregate investor interest in the receivables trust. This aggregate investor interest entitled the MTN Issuer to payments arising out of its entitlement to receivables in the receivables trust.

The series 03-3 medium term note certificate is charged in favour of a trustee for the benefit of the noteholders in relation to the class A notes, the class B notes and the class C notes of series 03-3. The security for each class of notes issued for series 03-3 is the series 03-3 medium term note certificate. The security for the notes issued for series 03-3 is not cross-collateralised with the security for your notes.

The proceeds of the series 04-1 notes were used by Gracechurch Card Funding (No. 6) PLC to purchase a corresponding series medium term note certificate, which we shall refer to as the “**series 04-1 medium term note certificate**”, issued by the MTN Issuer. The MTN Issuer invested the proceeds from the issue of the series 04-1 medium term note certificate in the receivables trust by paying the proceeds to the receivables trustee and becoming an investor beneficiary with an aggregate investor interest in the receivables trust. This aggregate investor interest entitles the MTN Issuer to payments arising out of its entitlement to receivables in the receivables trust.

The series 04-1 medium term note certificate is charged in favour of a trustee for the benefit of the noteholders in relation to the class A notes, the class B notes and the class C notes of series 04-1. The security for each class of notes issued for series 04-1 is the series 04-1 medium term note certificate. The security for the notes issued for series 04-1 is not cross-collateralised with the security for your notes.

The proceeds of the series 04-2 notes were used by Gracechurch Card Funding (No. 7) PLC to purchase a corresponding series medium term note certificate, which we shall refer to as the “**series 04-2 medium term note certificate**,” issued by the MTN Issuer. The MTN Issuer invested the proceeds from the issue of the series 04-2 medium term note certificate in the receivables trust by paying the proceeds to the receivables trustee and becoming an investor beneficiary with an aggregate investor interest in the receivables trust. This aggregate investor interest entitles the MTN Issuer to payments arising out of its entitlement to receivables in the receivables trust.

The series 04-2 medium term note certificate is charged in favour of a trustee for the benefit of the noteholders in relation to the class A notes, the class B notes and the class C notes of series 04-2. The security for each class of notes issued for series 04-2 is the series 04-2 medium term note certificate. The security for the notes issued for series 04-2 is not cross-collateralised with the security for your notes.

The proceeds of the series 05-1 notes were used by Gracechurch Card Funding (No. 8) PLC to purchase a corresponding series medium term note certificate, which we shall refer to as the “**series 05-1 medium term note certificate**,” issued by the MTN Issuer. The MTN Issuer invested the proceeds from the issue of the series 05-1 medium term note certificate in the receivables trust by paying the proceeds to the receivables trustee and becoming an investor beneficiary with an aggregate investor interest in the receivables trust. This aggregate investor interest entitles the MTN Issuer to payments arising out of its entitlement to receivables in the receivables trust.

The series 05-1 medium term note certificate is charged in favour of a trustee for the benefit of the noteholders in relation to the class A notes, the class B notes and the class C notes of series 05-1. The security for each class of notes issued for series 05-1 is the series 05-1 medium term note certificate. The security for the notes issued for series 05-1 is not cross-collateralised with the security for your notes.

The proceeds of the series 05-2 notes were used by Gracechurch Card Funding (No. 9) PLC to purchase a corresponding series medium term note certificate, which we shall refer to as the “**series 05-2 medium term note certificate**,” issued by the MTN Issuer. The MTN Issuer invested the proceeds from the issue of the series 05-2 medium term note certificate in the receivables trust by paying the proceeds to the receivables trustee and becoming an investor beneficiary with an

aggregate investor interest in the receivables trust. This aggregate investor interest entitles the MTN Issuer to payments arising out of its entitlement to receivables in the receivables trust.

The series 05-2 medium term note certificate is charged in favour of a trustee for the benefit of the noteholders in relation to the class A notes, the class B notes and the class C notes of series 05-2. The security for each class of notes issued for series 05-2 is the series 05-2 medium term note certificate. The security for the notes issued for series 05-2 is not cross-collateralised with the security for your notes.

The proceeds of the series 05-3 notes were used by Gracechurch Card Funding (No. 10) PLC to purchase a corresponding series medium term note certificate, which we shall refer to as the “**series 05-3 medium term note certificate**,” issued by the MTN Issuer. The MTN Issuer invested the proceeds from the issue of the series 05-3 medium term note certificate in the receivables trust by paying the proceeds to the receivables trustee and becoming an investor beneficiary with an aggregate investor interest in the receivables trust. This aggregate investor interest entitles the MTN Issuer to payments arising out of its entitlement to receivables in the receivables trust.

The series 05-3 medium term note certificate is charged in favour of a trustee for the benefit of the noteholders in relation to the class A notes, the class B notes and the class C notes of series 05-3. The security for each class of notes issued for series 05-3 is the series 05-3 medium term note certificate. The security for the notes issued for series 05-3 is not cross-collateralised with the security for your notes.

The proceeds of the series 05-4 notes were used by Gracechurch Card Funding (No. 11) PLC to purchase a corresponding series medium term note certificate, which we shall refer to as the “**series 05-4 medium term note certificate**,” issued by the MTN Issuer. The MTN Issuer invested the proceeds from the issue of the series 05-4 medium term note certificate in the receivables trust by paying the proceeds to the receivables trustee and becoming an investor beneficiary with an aggregate investor interest in the receivables trust. This aggregate investor interest entitles the MTN Issuer to payments arising out of its entitlement to receivables in the receivables trust.

The series 05-4 medium term note certificate is charged in favour of a trustee for the benefit of the noteholders in relation to the class A notes, the class B notes and the class C notes of series 05-4. The security for each class of notes issued for series 05-4 is the series 05-4 medium term note certificate. The security for the notes issued for series 05-4 is not cross-collateralised with the security for your notes.

The Closing Date

We will issue the notes on or about 28 September 2006.

The MTN Issuer and Initial Investor Beneficiary

The MTN Issuer and the initial investor beneficiary is Barclaycard Funding PLC, a public limited company incorporated in England and Wales. Its registered office is located at 1 Churchill Place, London E14 5HP. The MTN Issuer is a subsidiary of Barclays.

The MTN Issuer was established to issue series of secured limited recourse medium term notes or certificates under a programme.

The Medium Term Note Certificate

On the closing date, the MTN Issuer will sell to the issuer one limited recourse medium term note certificate issued as a series under its medium term note or certificate programme. This limited recourse medium term note certificate, in the amount of £111,890,441, will be called the series 06-1 medium term note certificate. The series 06-1 medium term note certificate is governed by English law and is subject to the English courts in the event of proceedings relating to the series 06-1 medium term note certificate.

The issuer will make payments of interest and principal on the class A notes from payments of interest and principal made by the MTN Issuer on the series 06-1 medium term note certificate, including MTN Issuer additional interest payments, and from amounts paid by the swap counterparty. The issuer will also make payment of the deferred subscription price in respect of the series 06-1 medium term note certificate out of unutilised MTN Issuer additional interest payments received by it.

If an event of default occurs under the series 06-1 medium term note certificate, the security trustee, on behalf of the issuer as holder of the series 06-1 medium term note certificate, may appoint a receiver of the MTN Issuer who would continue to collect amounts paid on the investor certificate. The security trustee would also be able to sell the investor certificate. In addition, pursuant to the Series 06-1 Supplement the security trustee may give an enforcement notice to the MTN Issuer declaring the series 06-1 medium term note certificate to be immediately due and payable. A declaration that the series 06-1 medium term note certificate has become immediately due and payable will not, of itself, accelerate the timing or amount of redemption of the series 06-1 medium term note certificate.

The Security Trustee

The security trustee is The Bank of New York, acting through its London branch. The security trustee will act as trustee for the holder of the series 06-1 medium term note certificate under the security trust deed and MTN Issuer cash management agreement.

The Receivables

The receivables consist of amounts charged by cardholders to designated MasterCard* and VISA* revolving credit and charge card accounts of Barclaycard originated or acquired in the United Kingdom for the acquisition of merchandise, services and cash advances. The receivables also include the periodic finance charges and fees charged to the credit and charge card accounts and interchange.

The Initial Transferor, Servicer, Trust Cash Manager, MTN Issuer Cash Manager and Excess Interest Beneficiary

Barclays Bank PLC originates or acquires the credit and charge card receivables through its business unit, Barclaycard. Barclaycard's principal place of business is located at 1234 Pavilion Drive, Northampton NN4 7SG, United Kingdom. Barclaycard has previously transferred its present and future interest in the credit and charge card receivables to the receivables trustee.

Barclaycard is the initial transferor of the receivables trust.

Barclaycard currently services the receivables in the receivables trust. Barclaycard may not resign as servicer, but its appointment as servicer may be terminated and a successor servicer may be appointed in its place if a servicer default occurs. In the future additional transferors, if any, may act as co-servicers.

Barclaycard was also appointed as the initial trust cash manager to manage the bank accounts of the receivables trustee for each series of investor certificates. Barclaycard may not resign as trust cash manager, but its appointment as trust cash manager may be terminated and a successor trust cash manager may be appointed in its place if a trust cash manager default occurs. In the future additional transferors, if any, may act as co-trust managers.

Barclaycard will be the excess interest beneficiary of the receivables trust, but will transfer its entitlement to the portion of the excess interest attributable to series 06-1 to the MTN Issuer under an agreement between beneficiaries.

Barclays Bank PLC has also been appointed as MTN Issuer cash manager pursuant to the security trust deed and the MTN Issuer cash management agreement dated 23 November 1999. The MTN Issuer cash manager may not resign unless its activities are no longer permissible under the applicable law. No such resignation shall become effective until a successor MTN Issuer cash manager shall have assumed the responsibilities and obligations of the MTN Issuer cash manager.

Barclays Bank PLC is a bank incorporated in England and Wales and has a long term unsecured debt rating of Aa1 by Moody's and AA by Standard and Poor's. Its head office is located at 1 Churchill Place, London E14 5HP, United Kingdom. It is regulated in the United Kingdom by the Financial Services Authority. Its telephone number is +44 (0)207 116 1000.

The Receivables Trustee

Gracechurch Receivables Trustee Limited, the receivables trustee, is a private limited liability company incorporated under the laws of Jersey, Channel Islands on 29 September 1999. Its

* MasterCard and VISA are U.S. federally registered servicemarks of MasterCard International Inc. and VISA USA Inc. respectively and are registered trademarks in the United Kingdom of MasterCard International Inc. and VISA International Service Association.

registered office is located at 26 New Street, St. Helier, Jersey JE2 3RA. The shares of the receivables trustee are held by a professional trustee company – not affiliated with Barclays – as trustee on trust for charitable purposes. This means that any profits received by the receivables trustee, after income amounts have been paid in meeting the costs and expenses of the receivables trustee, will be available to be dividended to the trustee for distribution for charitable purposes or to charities exclusively for charitable purposes selected at the discretion of the receivables trustee. The payments on your notes will not be affected by this arrangement. The receivables trustee acts as trustee of the receivables trust.

The Receivables Trust

The receivables trust was established on 1 November 1999 under the terms of a declaration of trust under which Barclays and the MTN Issuer each received an undivided interest in the trust property equal to the proportion of their contributions to the receivables trust. The declaration of trust was amended and restated by a declaration of trust and trust cash management agreement on 23 November 1999. The declaration of trust and trust cash management agreement has been and will be supplemented by series supplements for each series of investor certificates issued by the receivables trust.

The receivables trustee has been established for the purpose of acquiring credit and charge card receivables of Barclaycard and any additional transferors and to hold those receivables and the collections from them on trust for the beneficiaries under the terms of the receivables trust set out in the declaration of trust and trust cash management agreement and to make payments on the investor certificates. The receivables trustee may issue other series of investor certificates, representing undivided beneficial interests in the receivables trust, from time to time. The receivables trustee may not engage in any unrelated activities.

The Investor Certificate

The MTN Issuer will pay the proceeds of the series 06-1 medium term note certificate to the receivables trustee to acquire a separate, undivided beneficial interest in the receivables trust of which eight are outstanding. This undivided beneficial interest will be the twelfth series of the receivables trust and will be represented by the investor certificate. The receivables trustee may issue other series of investor certificate(s) from time to time.

The MTN Issuer will make payments of principal and interest on the series 06-1 medium term note certificate from payments received on the investor certificate. The payments on the investor certificate will be made from payments of principal and interest on the receivables.

The receivables trustee will be entitled to use the proceeds of the investor certificate paid to it by the MTN Issuer – together with monies paid to it by the other beneficiaries of the receivables trust – to accept an offer by the transferor to assign to the receivables trustee the present and future receivables generated by the designated credit and charge card accounts of the transferor.

The investor certificate will entitle the MTN Issuer to receive payment of a designated portion of collections of the credit and charge card receivables assigned by the transferor to the receivables trustee. The MTN Issuer will use those collections for the redemption of the series 06-1 medium term note certificate.

If a pay out event occurs, the rapid amortisation period or the regulated amortisation period may begin, which could cause an early redemption of your notes. Note that a pay out event for Series 06-1 will not occur until the Pay Out Commencement Date. See *“Risk Factors – A pay out event for Series 06-1 will not occur until all Existing Series have been repaid in full”*. If Barclays as the transferor beneficiary or the excess interest beneficiary were to become insolvent, the receivables trustee may be required to liquidate the receivables. In addition, some breaches of representations made by the transferor will require the transferor to repurchase the receivables.

The Swap Counterparty

The swap counterparty for the euro notes will be Barclays Bank PLC acting through its investment banking division in the United Kingdom, Barclays Capital. The swap counterparty's address is 5 The North Colonnade, London E14 4BB, United Kingdom.

Swap Agreement

Barclaycard's cardholders will make payments to Barclaycard in pounds sterling. Accordingly, payments on the investor certificate and the series 06-1 medium term note certificate will also be made in sterling. So that you can receive payments on your Class A1 notes in euro the issuer will

enter into a swap agreement with the swap counterparty, which we shall refer to as the swap agreement.

Under the swap agreement for the Class A1 notes, the issuer will pay to the swap counterparty the sterling amounts received in relation to the Class A1 Investor Interest less certain amounts representing the issuer's costs and expenses and required earnings and less MTN Issuer additional interest payments not required to pay amounts owing to the swap counterparty, and the swap counterparty will convert those sterling amounts into euro.

Optional Early Redemption

The issuer has the option, but not prior to the Pay Out Commencement Date, to redeem all of the remaining notes when their principal balance is reduced to less than 10 per cent. of their original principal balance.

If an optional early redemption occurs, you will receive a final distribution equal to the entire unpaid principal balance of your notes plus any accrued and unpaid interest.

Notices

Any notices that are required to be given by the term of your notes will be deemed to be validly given if they are published in the Financial Times or another leading English language daily newspaper in London.

U.S. Transfer Restrictions

The notes have not been and will not be registered under the Securities Act and may not at any time be offered, sold or otherwise transferred in the United States or to, or for the account or benefit of, any U.S. person (as defined in Regulation S), except as described under "Underwriting" in this prospectus.

Ratings of the Notes

Each class of notes will be rated by Moody's Investors Services Limited and Standard & Poor's Ratings Group. In this prospectus, we will refer to Moody's Investors Services Limited as "Moody's" and Standard & Poor's Ratings Group as "Standard & Poor's", both of which we will refer to together as the "rating agencies".

On issue, the issuer expects the notes to be assigned the following ratings:

	<i>Class A1</i>	<i>Class A2</i>
Moody's	BB	BB
Standard & Poor's	Ba1	Ba1

Application for Admission to the Official List and Admission to Trading

The issuer has applied to have the notes listed on the Official List of the UK Listing Authority and admitted to trading on the London Stock Exchange. The issuer expects the notes to be approved for listing on or about 28 September 2006.

Stabilisation

In connection with this issue of notes, Barclays Bank PLC (the "Stabilising Manager") or any person acting for it may over-allot notes provided that the aggregate principal amount of the notes allotted does not exceed 105 per cent. of the aggregate principal amount of the notes or effect transactions with a view to supporting the market price of the notes (or any class of them) at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the notes is made, and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue of the notes and 60 days after the date of the allotment of the notes.

Risk Factors

You should carefully consider the following risk factors before deciding to invest in the notes offered by this prospectus.

You May Not Be Able to Sell Your Notes

There currently is no secondary market for the notes. The underwriters expect, but are not obligated, to make a market in the notes. If no secondary market develops, you may not be able to sell your notes prior to maturity. We cannot offer any assurance that one will develop or, if one does develop, that it will continue.

Allocations of Charged-Off Receivables Could Reduce Your Payments

We anticipate that the servicer will charge off or write off as uncollectable some of the receivables. Each class of investor interest in the receivables trust will be allocated a portion of those charged-off receivables. If the amount of charged-off receivables allocated to the investor interest exceeds the amount of funds available to cover those charge-offs, the investor interest will be reduced. This could cause the holders of the notes to not receive the full amount of principal and interest due to them. See "*Series 06-1: Defaulted Receivables; Investor Charge-Offs*"; "*Barclaycard and the Barclaycard Card Portfolio: Delinquency Experience Securitised Portfolio*" and "*Barclaycard and the Barclaycard Card Portfolio: Loss Experience Securitised Portfolio*."

Your notes bear additional risk because funds allocated to the Series 06-1 Investor Interest may first be utilised to meet shortfalls in respect of other Existing Series

Series 06-1 will rank *pari passu* with respect to allocations under the receivables trust including allocations with respect to defaulted accounts; however, pursuant to the terms of Series 06-1, following allocation of amounts under the receivables trust to Series 06-1, such allocated funds may be used in priority to meet any shortfalls in finance charge collections to meet payments required in respect of other Existing Series. "Existing Series" means any of the following Series when the Investor Interest in respect of such Series is outstanding: Series 02-1, Series 03-1, Series 04-1, Series 04-2, Series 05-1, Series 05-2, Series 05-3 and Series 05-4. See "Series 06-1". This could cause noteholders not to receive the full amount of principal or interest due to them.

A pay out event for Series 06-1 will not occur until all Existing Series have been repaid in full

A pay out event for Series 06-1 will not occur, until the Pay Out Commencement Date, regardless of the occurrence of a relevant event which might otherwise result in a pay out event in respect of Existing Series. Accordingly, until all Existing Series have been repaid in full, a pay out event will not occur in respect of Series 06-1. This could cause a delay in the principal payments of your notes and could expose you to an increased risk of loss on your notes.

Inability of Noteholders to Receive the Full Percentage Allocation of Principal Collections During the Regulated Amortisation Period Could Delay Payments on Your Notes or Cause a Loss on Your Notes

Some series 06-1 pay out events will cause the start of the regulated amortisation period rather than the rapid amortisation period. During a regulated amortisation period, not all of the principal collections allocated to the investor interest may be used to make payments of principal to the MTN Issuer as they would be during a rapid amortisation period. Instead, principal payments to the MTN Issuer – and thus ultimately on your notes – will be limited to the controlled deposit amount. This could cause you to receive payments of principal more slowly than you would during a rapid amortisation period. Since some of the series 06-1 pay out events that result in the start of a regulated amortisation period are caused by a deterioration in the performance of the receivables, a delay in the principal payments on your notes could expose you to an increased risk of losses on your notes or a delay in payment on your notes.

Grouping of the MTN Issuer with Barclays for Tax Purposes Could Jeopardise the Bankruptcy Remote Status of the MTN Issuer Causing an Early Redemption of Your Note or a Loss on Your Notes

Contractual provisions will be contained in the security trust deed and MTN Issuer cash management agreement and the other agreements to which the MTN Issuer is a party by which the other parties to those agreements agree not to take any actions against the MTN Issuer that might lead to its bankruptcy. Furthermore, the MTN Issuer will be contractually restricted from undertaking any business other than in connection with the financings described in this prospectus. In particular, the MTN Issuer will be expressly prohibited from incurring any additional indebtedness, having any employees, owning any premises and establishing or acquiring any subsidiaries. Together, these provisions ensure that the likelihood of the MTN Issuer becoming insolvent or bankrupt is remote.

Notwithstanding the steps that have been and may be taken to ensure that the insolvency of the MTN Issuer will be remote, the MTN Issuer is included in the Barclays Group registration for VAT purposes. As a company included in that group registration, broadly, it will be liable, on a joint and several basis with all other companies in the VAT group registration, for the VAT liability of the representative member of the VAT group – Barclays Bank PLC – arising only during the MTN Issuer's period of membership. Accordingly, these secondary liabilities for VAT could increase the likelihood of the MTN Issuer becoming insolvent. In addition, there are provisions in the UK tax code that are designed to enable HM Revenue and Customs ("HMRC") to collect corporation tax from one member of a group where another member of the group has failed to discharge certain taxes due and payable by it within a specified time period.

If the MTN Issuer were required to pay any VAT due from the representative member of the Barclays VAT group or to become liable for corporation tax liabilities of another member in the Barclays Group, which the MTN Issuer was unable to meet, the HMRC could seek to put the MTN Issuer into insolvency. This could cause an early redemption of your notes or a loss on your notes.

Issuance of Additional Series May Adversely Affect Your Rights by Diluting Your Voting Power

The MTN Issuer has issued eleven previous series (of which eight remain outstanding as series 99-1 was repaid in November 2002, Series 03-2 was repaid in June 2006 and Series 03-3 was repaid in August 2006) and may issue additional series of medium term notes or certificates in connection with the issuance of other series of investor certificates. The holder of the medium term notes or certificates of each series – including the issuer – may require the MTN Issuer, as investor beneficiary, to take action or direct actions to be taken under the declaration of trust and trust cash management agreement or a supplement. However, the consent or approval of holders of a percentage of the total principal balance of the medium term notes or certificates of all series might be necessary to require or direct those actions. These actions include terminating the appointment of the servicer under the beneficiaries servicing agreement or the trust cash manager under the declaration of trust and trust cash management agreement. Thus, the holder of any new series of medium term notes or certificates will have voting rights that will reduce the percentage interest of the issuer as holder of the series 06-1 medium term note certificate. Holders of medium term notes or certificates of other series – or persons with the power to direct their actions – may have interests that do not coincide with the

interests of the issuer – or the persons with the power to direct the issuer. This may restrict your ability to ultimately direct the MTN Issuer to take the actions referred to above.

Insolvency of the Transferor May Result in an Inability to Repurchase Receivables

None of the MTN Issuer, the receivables trustee or the issuer has undertaken or will undertake any investigations, searches or other actions to verify the details of the receivables – other than steps taken by the issuer to verify the details of the receivables that are presented in this prospectus – or to establish the creditworthiness of any cardholder on the designated accounts. The MTN Issuer, receivables trustee and the issuer will rely solely on the representations given by the transferor to the receivables trustee about the receivables, the cardholders on the designated accounts, the designated accounts and the effect of the assignment of the receivables.

If any representation made by the transferor about the receivables proves to have been incorrect when made, the transferor will be required to repurchase the affected receivables from the receivables trustee. If the transferor becomes bankrupt or insolvent, the receivables trustee may be unable to compel the transferor to repurchase receivables, and you could incur a loss on your notes or an early redemption of your notes.

Insolvency of the Issuer, the MTN Issuer or the Receivables Trustee Could Cause an Early Redemption of Your Notes or a Loss on Your Notes

The ability of each of the issuer, the MTN Issuer and the receivables trustee to meet its obligations under the notes, the series 06-1 medium term note certificate and the receivables securitisation agreement and the declaration of trust and trust cash management agreement will depend upon their continued solvency.

A company that has assets in the United Kingdom will be insolvent if its liabilities exceed its assets or if it is unable to pay its debts as they fall due. Each of the issuer, the MTN Issuer and the receivables trustee have been structured so that the likelihood of their becoming insolvent is remote. Each of these entities will be contractually restricted from undertaking any business other than in connection with the financings described in this prospectus. They each will be expressly prohibited from incurring any additional indebtedness, having any employees, owning any premises and establishing or acquiring any subsidiaries. Contractual provisions will be contained in each of the agreements other than your notes, to which each of these entities is a party which will prohibit the other parties to those agreements from taking any actions against these entities that might lead to their insolvency. Together, these provisions help ensure that the likelihood of any of these entities becoming insolvent or bankrupt is remote.

Notwithstanding these actions, it is still possible that the issuer, the MTN Issuer or the receivables trustee could become insolvent. If this were to occur, you could suffer a loss on your notes or an early redemption of your notes.

Application of the Consumer Credit Act 1974 and Other Legislation May Impede Collection Efforts and Could Cause Early Redemption of your Notes or a Loss on your Notes

There is an increasing volume of legislation that is applicable to consumer credit in the United Kingdom. Of particular importance are the Consumer Credit Act 1974 (the “Consumer Credit Act”) and the Unfair Terms in Consumer Contracts Regulations 1999 (the “Regulations”). The Consumer Credit Act and Regulations are administered by, amongst others, the Office of Fair Trading (the “OFT”). The Consumer Credit Act and Regulations apply, in whole or in part, to the transactions occurring on the designated

accounts and to the credit or charge card agreements. The effect of the application of the Consumer Credit Act and the Regulations on the relevant underlying credit or charge card agreements may result in adverse consequences for your investment in the notes, because of the possible unenforceability of, or possible liabilities for misrepresentation or breach of contract in relation to, an underlying credit or charge card agreement.

As is common with many other UK credit card issuers, some of Barclaycard's credit and charge card agreements do not comply in all respects with the Consumer Credit Act, the Regulations or other related legislation.

In addition, Barclaycard, in common with many other UK credit card issuers, has received and expects to continue to receive correspondence from and to have discussions with, the OFT in relation to concerns the OFT may raise from time to time in respect of compliance of Barclaycard's credit and charge card agreements with the Consumer Credit Act, the Regulations or other related legislation, or any other concerns that the OFT may have in respect of Barclaycard's credit and charge card agreements or Barclaycard's advertising, marketing or administration thereof.

If a credit or charge card agreement has not been executed or modified in accordance with the Consumer Credit Act, it may be unenforceable against a cardholder without a court order – and in some instances may be completely unenforceable. The transferor gives no guarantee that a court order could be obtained if required.

With respect to those credit or charge card agreements which may not be compliant, such that a court order could not be obtained, the transferor estimates that this would apply to less than 1 per cent. of the aggregate principal receivables in the designated accounts on 31 December 2005. Barclaycard does not anticipate any material increase in the percentage of these receivables in the securitised portfolio. In respect of those accounts that do not comply with the Consumer Credit Act it will still be possible to collect payments and seek arrears from cardholders who are falling behind with their payments. The transferor will have no obligation to repay or account to a cardholder for any payments received by a cardholder because of this non-compliance with the Consumer Credit Act. However, if losses arise on these accounts, they will be written off and borne by the investor beneficiary and transferor beneficiary based on their interests in the receivables trust. Accordingly, if this were to occur, you could suffer a loss on your notes or an early redemption on your notes.

Transactions involving the use of a credit card in the United Kingdom may constitute transactions under debtor-creditor-supplier agreements for the purposes of section 75 of the Consumer Credit Act. A debtor-creditor-supplier agreement includes an agreement by which the creditor, with knowledge of its purpose, advances funds to finance the debtor's purchase of goods or services from a supplier.

Section 75 of the Consumer Credit Act provides that if a supplier breaches a contract between the supplier and a cardholder in a transaction under certain debtor-creditor-supplier agreements, or if the supplier makes a misrepresentation about the contract, the creditor may also be liable to the cardholder for the breach or

misrepresentation. An example of a supplier's breach of contract would include the supplier selling the cardholder merchandise that is defective or unsuitable for its purpose. In these circumstances, the cardholder may have the right to reduce the amount owed to the transferor under his or her credit or charge card account. This right would survive the sale of the receivables to the receivables trustee. As a result, the receivables trustee may not receive the full amount otherwise owed by a cardholder. However, the creditor will not be liable where the cash price of the item or service supplied underlying the claim is £100 or less, or greater than £30,000.

The receivables trustee has agreed on a limited recourse basis to indemnify the transferor for any loss suffered by the transferor from a cardholder claim under section 75 of the Consumer Credit Act. This indemnity cannot exceed the original outstanding principal balance of the affected charges on a designated account.

The receivables trustee's indemnity will be payable only from and to the extent of excess spread on the receivables. Any amounts that the transferor recovers from the supplier will reduce the transferor's loss for purposes of the receivables trustee's indemnity. This is described under "*Series 06-1: Aggregate Investor Indemnity Amount*". The transferor will have rights of indemnity against suppliers under section 75 of the Consumer Credit Act. The transferor may also be able to charge-back the transaction in dispute to the supplier under the operating regulations of VISA or MasterCard.

If the transferor's loss for purposes of the receivables trustee's indemnity exceeds the excess spread available to satisfy the loss, the transferor interest in the receivables trust will be reduced by the amount of the excess loss.

Satisfaction by the receivables trustee of any such indemnity payment (as described above) could have the effect of reducing or eliminating excess spread which might otherwise have been available to the MTN Issuer. These consequences could result in you incurring a loss on your investment or an early redemption of your notes.

Department of Trade and Industry ("DTI") White Paper dated December 2003 in Connection with its Review of Consumer Credit

In its White Paper dated December 2003, the DTI, the UK Government department responsible for consumer credit, indicated that the Government proposed to take various actions to address matters of concern to it in this area. Since then a number of changes have been made by subordinate legislation under the Consumer Credit Act and changes to the Consumer Credit Act itself have become law in the Consumer Credit Act 2006 though many of these changes are not expected to take effect until April 2007 or April 2008.

Consumer Credit Regulations made since the DTI published its White Paper in December 2003

Two sets of regulations that are particularly pertinent to Barclaycard have been made during 2004 pursuant to the Consumer Credit Act. The Consumer Credit (Advertisements) Regulations 2004 ("**Advertisements Regulations**") were made in June 2004 and came into force on 31 October 2004. They replace regulations made in the period 1989-2000 in relation to the advertising of consumer credit. The Consumer Credit (Agreements) (Amendment) Regulations 2004 ("**Agreements Regulations**") were made in June 2004 and came into force on 31 May 2005.

The Advertisements Regulations contain a new statutory regime governing the content of marketing materials that promote consumer credit. The Advertisements Regulations require every credit advertisement to be made in plain and intelligible language, be easily legible or clearly audible as the case may require and specify the name of the advertiser. The Advertisements Regulations prescribe information that has to be included in a credit advertisement. In addition, the Advertisements Regulations provide certain assumptions which must be applied when calculating a total charge for credit and prescribe the manner in which the total charge for credit and any stated annual percentage rate must be disclosed. The Advertisements Regulations are, broadly observed, stricter than the regulations that they have replaced. It is unclear whether they will make it materially more difficult to originate new accounts, but it is possible that that might be their effect.

The possible unenforceability of, or possible liabilities for misrepresentation or breach of contract, in relation to an underlying credit or charge card agreement may result in unrecoverable losses on accounts to which such agreements apply. If losses arise on these accounts, they will be written off and borne by the investor beneficiary and transferor beneficiary based on their interests in the receivables trust. Accordingly, if this were to occur, you could suffer a loss on your notes or an early redemption on your notes.

The Agreements Regulations amend the Consumer Credit (Agreements) Regulations 1983 (“**1983 Regulations**”). The Agreements Regulations set out the order in which the prescribed content of documents comprising a credit or charge card agreement (including any variations to such agreements which create a modifying agreement under section 82(3) of the Consumer Credit Act) is to be given and the place of the signature and separate boxes required under the 1983 Regulations and the Agreements Regulations. An additional form of consent is required by the Agreements Regulations where a cardholder purchases certain insurance products on credit. In common with the Advertisements Regulations, the Agreements Regulations contain new prominence and legibility requirements and new requirements in relation to the calculation and description of an annual percentage rate.

The possible unenforceability of, or possible liabilities for misrepresentation or breach of contract, in relation to an underlying credit or charge card agreement may result in unrecoverable losses on accounts to which such agreements apply. If losses arise on these accounts, they will be written off and borne by the investor beneficiary and transferor beneficiary based on their interests in the receivables trust. Accordingly, if this were to occur, you could suffer a loss on your notes or an early redemption on your notes.

**Consumer Credit Act received
Royal Assent in March 2006**

An Act to amend the Consumer Credit Act (the “**Consumer Credit Act 2006**”) became law in March 2006. Its material provisions will take effect at later dates which remain to be definitively determined but are likely to be April 2007 and April 2008 in respect of different amendments made by the Consumer Credit Act 2006.

The Consumer Credit Act 2006 will, when implemented, *inter alia*, give effect in the Consumer Credit Act to a concept of an “unfair relationship”. This appears to be a broad concept. A court would

be entitled to look at any aspect of a credit relationship in order to determine whether unfairness to the debtor exists. Under the Consumer Credit Act 2006 amendments, remedies would include requiring the creditor to pay back sums to the debtor that had previously been paid by the debtor to the creditor. These provisions of the Consumer Credit Act 2006 amendments are intended to apply to all credit agreements regardless of when entered into with the exception of agreements made before the commencement of the provisions and which are completed before the end of any transitional period which is specified.

The Consumer Credit Act 2006 will also extend the ombudsman scheme under the Financial Services and Markets Act 2000 to licensees under the Consumer Credit Act. The extension of the ombudsman scheme will allow a cardholder who has a complaint to raise it with the ombudsman, provided that the complaint falls within the consumer credit jurisdiction conferred upon the ombudsman.

The possible unenforceability of, or possible liabilities for misrepresentation or breach of contract, in relation to an underlying credit or charge card agreement may result in unrecoverable losses on accounts to which such agreements apply. If losses arise on these accounts, they will be written off and borne by the investor beneficiary and transferor beneficiary based on their interests in the receivables trust. Accordingly, if this were to occur, you could suffer a loss on your notes or an early redemption on your notes.

Proposal for a second EU Directive relating to Consumer Credit

The European Commission made a proposal for a new consumer credit directive in September 2002. The existing directive (87/102/EEC) is now regarded by the European Commission as out of date. Progress on agreeing a new directive has been slow. On 7 October 2005, the Commission produced a second modified proposal. The timetable for further developments is unclear.

EU Directive concerning Unfair Commercial Practices

Directive 2005/29/EC concerning unfair business to consumer commercial practices was made on 11 May 2005. This is a directive of general application and is not confined to consumer credit or other financial services. It is anticipated that the DTI will lead implementation of this directive into UK law. The directive is due to be implemented by 12 June 2007, coming into force (with some transitional provisions) no later than 12 December 2007. The directive is intended to achieve a high level of consumer protection across the EU through harmonization of relevant EU laws. The directive has a substantial focus on advertising and sales promotion practices. Whether its implementation would require changes to, for example, the Advertisements Regulations remains to be determined. Any such changes might have an adverse impact on the ability of credit and charge card issuers, such as Barclaycard, to promote their products and services.

The possible unenforceability of, or possible liabilities for misrepresentation or breach of contract, in relation to an underlying credit or charge card agreement may result in unrecoverable losses on accounts to which such agreements apply. If losses arise on these accounts, they will be written off and borne by the investor beneficiary and transferor beneficiary based on their interests in the receivables trust. Accordingly, if this were to occur, you could suffer a loss on your notes or an early redemption on your notes.

Failure to Notify Cardholders of the Transfer of Receivables Could Delay or Reduce Payments on Your Notes

The transfer by the transferor to the receivables trustee of the benefit of the receivables is governed by English law and does not give the receivables trustee full legal title to the receivables. Notice to the cardholders of the transfer would perfect the legal title of the receivables trustee to the receivables. The receivables trustee has agreed that notice of the transfer will not be given to cardholders unless the transferor's long-term senior unsecured indebtedness as rated by Moody's, Standard & Poor's or Fitch were to fall below Baa2, BBB or BBB, respectively. The lack of notice has several legal consequences that could delay or reduce payments on your notes.

Until notice is given to a cardholder, the cardholder will discharge his or her obligation under the designated account by making payment to the transferor.

Prior to the insolvency of the transferor, unless notice was given to a cardholder who is a depositor or other creditor of the transferor, equitable set-offs may accrue in favour of the cardholder against his or her obligation to make payments to the transferor under the designated account. These rights may result in the receivables trustee receiving reduced payments on the receivables. The transfer of the benefit of any receivables to the receivables trustee will continue to be subject both to any prior equities that a cardholder had and to any equities the cardholder may become entitled to after the transfer. Where notice of the transfer is given to a cardholder, however, some rights of set-off may not arise after the date notice is given.

Failure to give notice to the cardholder means that the receivables trustee would not take priority over any interest of a later encumbrancer or transferee of the transferor's rights who has no notice of the transfer to the receivables trustee. This could lead to a loss on your notes.

Failure to give notice to the cardholder also means that the transferor or the cardholder can amend the card agreement without obtaining the receivables trustee's consent. This could adversely affect the receivables trustee's interest in the receivables, which could lead to a loss on your notes.

Competition in the UK Credit Card Industry Could Lead to Early Redemption of Your Notes

The credit and charge card industry in the United Kingdom is highly competitive. There is increased competitive use of advertising, target marketing and pricing competition in interest rates and cardholder fees as both traditional and new card issuers seek to expand or enter the UK market and compete for customers.

New card issuers may rely on customer loyalty and may have particular ways of reaching and attracting customers. For example, major supermarket retailers are promoting the use of their own cards through extensive in-store campaigns and low introductory interest rates. Also, in the last few years a number of new card issuers have entered the UK market from the United States and have sought to build market share primarily through aggressive pricing. As a result of this competition, certain competitors offer cards to selected customers at lower interest rates than those offered by Barclaycard.

This competitive environment may affect the originator's ability to originate new accounts and generate new receivables. If the rate at which new receivables are generated declines significantly and if the transferor is unable to nominate additional accounts or product lines for the receivables trust, a series 06-1 pay out event

could occur. A series 06-1 pay out event could result in an early redemption of your notes; however, regardless of the occurrence of any pay out event with respect to series 06-1, series 06-1 will not begin any amortisation period until all other existing series no longer remain outstanding.

**Social, Legal, Political and
Economic Factors Affect Card
Payments and Are Unpredictable**

Changes in card use, payment patterns, amounts of yield on the card portfolio generally and the rate of defaults by cardholders may result from a variety of social, legal, political and economic factors in the United Kingdom. Social factors include changes in public confidence levels, attitudes toward incurring debt and perception of the use of credit and charge cards. Economic factors include the rate of inflation, the unemployment rate and relative interest rates offered for various types of loans. Political factors include lobbying from interest groups, such as consumers and retailers, and government initiatives in consumer and related affairs. There is currently significant political interest in the consumer credit market and, in particular, credit cards. For example, a recent report by the Treasury Select Committee in credit card charges is placing significant public pressure on credit card issuers to increase disclosure of charges. It is also calling for the introduction of a standardised approach to the calculation of interest rates. Since October 2003, the OFT has been investigating the level of default charges applied by the credit card industry. These are fees charged when a customer pays late or goes over their credit limit. Barclaycard, along with other credit card issuers, has been cooperating with the investigation. The OFT announced on 5 April 2006 that it continued to consider credit card default fees to be set at too high a level and the OFT set a threshold for intervention on credit card default fees for credit card issuers. The OFT suggested that no such fee should exceed £12. It would presume that credit card default charges in excess of £12 are unfair unless there are limited, exceptional factors in play such as a credit card issuer having a policy that account holders pay minimum monthly repayments by direct debits and that new accounts are only offered to customers who have a relatively high credit score. The OFT expected all affected issuers to have responded by 31 May 2006 indicating their intentions regarding default fees. Barclaycard responded on 31 May 2006 and confirmed to the OFT that they would be reducing their default fees to £12 as of 1 August 2006. Barclaycard made adjustments to cash advance APR's and other interest rate adjustments on the same date to deal with the effect of the reduction in default fees levels. Barclaycard gave notice dated June 2006 to customers setting out in writing changes to applicable Barclaycard terms and conditions that would take effect as of 1 August 2006. Barclays continues to work with the OFT to address its remaining concerns. We are unable to determine and have no basis on which to predict accurately whether, or to what extent, social, legal, political or economic factors, including the above-noted OFT investigation and correspondence, will affect the future use of credit, default rates, the yield on the card portfolio generally or cardholder repayment patterns. In addition, in September 2005 the OFT received a super-complaint from the Citizens Advice Bureau relating to payment protection insurance. As a result of its inquiries, the OFT then announced in December 2005 that it would commence a market study on payment protection insurance in March 2006. The market study has been completed and the OFT has published an emerging issues paper for consultation. The final result of the study is expected later in

Reduction in the Rate of Interchange Caused by Potential Adverse Regulatory Rulings May Adversely Affect Payments on Your Notes

2006. We are unable to determine and have no basis on which to predict accurately whether, or to what extent, the outcome of the study and any subsequent action by the OFT in respect of payment protection insurance would affect the card portfolio generally or cardholder repayment patterns.

Barclaycard receives fees called “interchange” from the banks that clear transactions for merchants as partial compensation for amongst other things, taking credit risk and absorbing fraud losses. See “*The Receivables*.” The OFT is now conducting simultaneous examinations of whether the rates of interchange paid by retailers in respect of MasterCard and Visa credit and charge cards in the United Kingdom are too high. In connection with this investigation, the OFT is also looking at the wider context of UK interchange for all types of payment card. The OFT decided in June 2006 to pursue simultaneous examinations of current Mastercard and Visa arrangements, following a decision of the Competition Appeals Tribunal, made with the consent of the OFT, to set aside the OFT’s September 2005 decision in relation to a historic Mastercard arrangement which the OFT had found to be an unlawful collective agreement on price with respect to the level of interchange fees, and which the OFT also found to result in the unjustified recovery of certain costs. If an OFT decision similar to that originally reached regarding the historic Mastercard arrangement is reached with respect to either or both of the current Mastercard and Visa arrangements, or if agreement is reached by Mastercard or Visa on a lower rate of interchange, such decision or agreement will adversely affect the yield on UK credit card portfolios. The OFT have sent a Section 26 notice to Mastercard Members Forum Limited in respect of Mastercard interchange and it is expected that Barclaycard will receive shortly Section 26 notices in respect of both Visa and Mastercard interchange. The European Commission issued a decision on 24 July 2002 concluding that an examination of the level of cross-border interchange within the European Union in respect of VISA credit and charge cards was too high and required VISA to undertake a phased reduction in the rate of interchange to be paid by retailers in the future. We note that the European Commission will be free to re-examine this issue after 31 December 2007. In addition, the European Commission is presently investigating MasterCard’s rules and agreement, with a particular emphasis on the interchange fees. A reduction in the rate of interchange as a result of these findings could affect the future yield on UK credit card portfolios and adversely affect payment on your notes.

Electronic Commerce Directive

With effect from (for the most part) 21 August 2002, the E-Commerce Directive (the “ECD”) has been effected in the United Kingdom by a number of statutory instruments and implementing rules including, but not limited to, the Electronic Commerce (EC Directive) Regulations 2002 (which apply to non-FSA regulated entities), the Electronic Commerce Directive (Financial Services and Markets) Regulations 2002, as amended (which apply to FSA regulated entities) and the creation of the Electronic Commerce Directive sourcebook (“ECO”) in the FSA Handbook.

In essence the ECD aims to free up cross-border “information society services” by requiring Member States to apply the principle of “country of origin” regulation to services provided using electronic means. “Information society services” are defined as “any service normally provided for remuneration, at a distance

by means of electronic equipment for the processing (including digital compression) and storage of data, and at the individual request of a recipient of a service” and will therefore include (but are not limited to) web-based online information. Under the principle of “country of origin”, a firm providing cross-border “information society services” must comply with the applicable rules in the country from which it is providing the services and the country into which it is providing the services cannot impose additional restrictions. As such, in providing “information society services” (whether in the UK or in another EEA state), the Seller will be required to comply with applicable rules in the United Kingdom (including, but not limited to, the United Kingdom financial promotions regime).

The ECD also requires Member States to impose disclosure and other rules on firms offering “information society services” before any contract is entered into. The information to be disclosed includes, but is not limited to, contact details and background information in respect of the service provider, a variety of information which is required to be provided in a clear and unambiguous manner and disclosure of information to the recipient on how to conclude contractual arrangements.

Failure to comply with the ECO rules could result in, amongst other things, disciplinary action by the FSA and possible claims under section 150 of FSMA for breach of FSA rules. Under the Electronic Commerce (EC Directive) Regulations 2002 the information disclosure requirements are enforceable, at the suit of any recipient of a service, by an action against the service provider for damages for breach of statutory duty. In addition, where a person has entered into a contract to which the Electronic Commerce (EC Directive) Regulations 2002 apply and the service provider has not made available means of allowing him to identify and correct input errors prior to concluding the contract, the recipient will be entitled to rescind the contract unless a court having jurisdiction in respect of the particular contract orders otherwise on the application of the service provider. The Electronic Commerce (EC Directive) Regulations 2002 also enable an application to be made for a court order to stop an infringement of the information disclosure requirements which harms the collective interests of consumers.

A Change in the Terms of the Receivables May Adversely Affect the Amount or Timing of Collections and May Cause an Early Redemption of Your Notes or a Downgrade of Your Notes

Only the receivables arising under the designated accounts are transferred to the receivables trustee. The transferor will continue to own those accounts. As the owner of the accounts, the transferor retains the right to change the terms of the accounts. For example, the transferor could change the monthly interest rate, increase or reduce the credit limits on the accounts, reduce or eliminate fees on the accounts or reduce the required minimum monthly payment.

The transferor may change the terms of the accounts to maintain its competitive position in the UK credit and charge card industry. Changes in interest and fees could lower the amount of finance charge receivables generated by those accounts. This could cause a pay out event to occur, which might, after all other series have been redeemed, cause an early redemption of your notes. This could also cause a reduction in the credit ratings on your notes.

Principal on Your Notes May Be Paid Earlier Than Expected – Creating a Reinvestment Risk to You – or Later than Expected

The receivables in the receivables trust may be paid at any time and we cannot assure you that new receivables will be generated or will be generated at levels needed to maintain the receivables trust. To prevent the early redemption of the notes, new

receivables must be generated and added to the receivables trust or new accounts must be nominated for the receivables trust. The receivables trust is required to maintain a minimum amount of receivables. The generation of new receivables or receivables in new accounts is affected by the transferor's ability to compete in the current industry environment and by customers changing borrowing and payment patterns. If there is a decline in the generation of new receivables or new accounts, you may be repaid your principal before the expected date.

One factor that affects the level of finance charges and principal collections is the extent of convenience usage. Convenience use means that the cardholders pay their account balances in full on or prior to the due date. The cardholder, therefore, avoids all finance charges on his or her account. An increase in the convenience usage by cardholders would decrease the effective yield on the accounts and could cause a pay out event, after all other series have been redeemed and therefore possibly an early redemption of your notes.

No premium will be paid upon an early redemption of your notes. If you receive principal on your notes earlier than expected, you may not be able to reinvest the principal at a similar rate of return.

Alternatively, a decrease in convenience usage may reduce the principal payment rate on the accounts. This could result in you receiving the principal on your notes later than expected.

Credit Enhancement May Be Insufficient to Prevent a Loss on Your Notes

Credit enhancement for your notes is limited. The only assets that will be available to make payment on your notes are the assets of the issuer pledged to secure payment of your notes. If problems develop with the receivables, such as an increase in losses on the receivables, or if there are problems in the collection and transfer of the receivables to the trust, or if the swap counterparty fails to make payments on the swap agreement, it is possible that you may not receive the full amount of interest and principal that you would otherwise receive.

Issuance of Additional Series by the Receivables Trustee on Behalf of the Receivables Trust May Adversely Affect Payments on Your Notes

Series 06-1 is the twelfth series (of which only eight are outstanding) created within the receivables trust. Additional series may from time to time be created within the receivables trust. Any new series of investor certificates – and medium term notes or certificates and notes – will also be payable from the receivables in the receivables trust. The principal terms of any new series of investor certificates will be contained in a new series supplement to the declaration of trust and trust cash management agreement. The terms of a new series contained in the new supplement to the declaration of trust and trust cash management will not be subject to your prior review or consent.

The principal terms of a new series may include methods for determining investor percentages and allocating collections, provisions creating different or additional security or other credit enhancement for the new series, provisions subordinating the new series to other series, and other amendments or supplements to the declaration of trust and trust cash management agreement that apply only to the new series. It is a condition to the issuance of a new series that each rating agency that has rated any debt ultimately payable from a prior series of investor certificates that is outstanding – including your notes – confirms in writing that the issuance of the new series will not result in a reduction or withdrawal of its rating.

Credit Quality of the Receivables Trust's Assets May Be Eroded by the Addition of New Accounts Which Could Adversely Affect Collections of Receivables

However, the terms of a new series could adversely affect the timing and amounts of payments on any other outstanding series, including series of which your notes are a part.

The transferor may designate additional credit or charge card accounts as designated accounts and offer the receivables trustee an assignment of the receivables arising under the additional accounts. The transferor may be required at times to nominate additional accounts as designated accounts. These accounts may include accounts that were originated or acquired using criteria that are different from those applicable to the accounts from which receivables were originally assigned to the receivables trustee. For example, they could be originated at a different date with different underwriting standards, or they could be acquired from another institution that used different underwriting standards. Consequently, there can be no assurance that accounts that become designated accounts in the future will have the same credit quality as the designated accounts on the closing date. This could adversely affect collections on the receivables. If this occurred you could suffer a loss on your notes.

Interest Rate Payable on the Series 06-1 Medium Term Note Certificate May Increase Without a Corresponding Change in Card Rates Potentially Causing a Loss on Your Notes or Early Redemption of Your Notes

In line with the rest of the UK market, Barclaycard may apply differential interest rates to each product offering, some of which may be fixed for predetermined periods. The majority of the designated accounts have monthly interest rates that are constant, except for Barclaycard's ability to change the interest rate at its discretion. The interest rate paid on the series 06-1 medium term note certificate will be based on the London interbank offered rate for deposits in sterling, which changes from time to time. Accordingly, the interest payable on the series 06-1 medium term note certificate could increase without a corresponding increase in the amount of finance charge collections. If this occurred, you could suffer a loss on your notes or a pay out event could occur, after all other series have been redeemed, causing an early redemption of your notes.

Commingling of Collections with Transferor May Delay or Reduce Payments on Your Notes

Collections from cardholders for the designated accounts and other Barclaycard cardholders will initially be paid to an operating account of the transferor. The transferor has declared a trust over the operating account in favour of the receivables trustee for collections that are deposited in it. Collections on the designated accounts will be transferred to the trustee collection account within two business days of being identified.

For the limited time that collections on the designated accounts are in the operating account, they may be commingled with other funds of the transferor or future beneficiaries and they may be untraceable. Consequently, if the transferor were to become insolvent, there may be a delay in the transfer of collections to the receivables trustee if the transferor – or a liquidator or administrator of the transferor – attempted to freeze the operation of the operating account pending completion of any rights of tracing. This could ultimately cause a delay or reduction in the payments you receive on your notes.

If the Transferor Opt to Treat a Portion of Principal Receivables as Finance Charge Receivables, an Early Redemption of Your Notes Could Occur or Could Be Delayed

The transferor may opt to cause a percentage of receivables that would otherwise be treated as principal receivables to be treated as finance charge receivables. If the transferor were to exercise this option, it could prevent a pay out event from occurring because of a reduction of the portfolio yield, which could delay an early redemption of your notes at a time when the performance of the receivables is deteriorating. Once this option is exercised, the transferor may also reduce the percentage or stop using the

percentage at any time. However, this option, if exercised, will reduce the aggregate amount of principal receivables, which may increase the likelihood that the transferor will be required to designate additional accounts from which receivables will be assigned to the receivables trustee. If the transferor were unable to designate additional accounts, a pay out event could occur, after all other series have been redeemed, and you could receive payments of principal on your notes before you expect them.

If Optional Early Redemption Occurs, It Will Result in an Early Redemption of Your Notes Creating a Reinvestment Risk

When the total principal balance of the notes is reduced to less than 10 per cent. of their original principal balance, the issuer has the option to redeem the notes in full. This early redemption may result in an early return of your investment. No premium will be paid in the event of an exercise of the early redemption option. If you receive principal on your notes earlier than expected, you may not be able to reinvest the principal at a rate of return similar to that on your notes.

If Cardholders Are Concentrated in a Geographic Region, Economic Downturn in that Region May Adversely Affect Collections of Receivables

If the receivables trust has a high concentration of receivables from cardholders located in a single region, an economic downturn in that region may have a magnified adverse effect on the receivables trust because of that concentration. This prospectus contains a geographic breakdown of accounts and the amount of receivables generated in the regions of the United Kingdom. See "*The Receivables: Geographic Distribution of Accounts – Securitised Portfolio*".

As determined from postcode information for the location of cardholders as of 30 June 2006, the three largest concentrations of cardholders as at 30 June 2006 were London representing 19.3 per cent. of total outstanding balances, the South East of England with 16.9 per cent. of total outstanding balances and the East of England with 11.5 per cent. of total outstanding balances. No other region currently accounts for more than 9.0 per cent. of the outstanding balance of the receivables. These concentration levels may change in the future.

Future adverse economic conditions affecting any of these regions or any of the other regions, however, could adversely affect the performance of the receivables which could result in a loss on your notes.

Adoption of the Euro by the United Kingdom Would Have Uncertain Effects on Your Notes

Before your notes have matured, the euro could become the lawful currency of the United Kingdom. If that were to happen, all amounts payable on the series 06-1 medium term note certificate – including the sterling payments owed to the swap counterparty on the swap agreement may become payable in euro. If the series 06-1 medium term note certificate is outstanding when the euro becomes the lawful currency of the United Kingdom, we intend to make payments on the series 06-1 medium term note certificate and the swap agreement according to the then market practice of payment on debts or, as the case may be, swaps. We are uncertain what effect, if any, the adoption of the euro by the United Kingdom may have on your notes.

Taxable Nature of the MTN Issuer or the Issuer Could Cause a Loss on Your Notes

The United Kingdom tax authorities are currently engaged in consultations with the securitisation industry regarding changes to the tax rules that are applicable to "securitisation companies" such as the MTN Issuer and the issuer, with those changes being expected to take effect in relation to the MTN Issuer and the issuer as of the commencement of 2007. This is part of a wider review of the UK tax legislation, the purpose of which is to ensure that taxpayers do not suffer unsustainable tax anomalies as a

result of the transition to accounting under International Financial Reporting Standards (“IFRS”) (or under new UK accounting standards based on IFRS). The UK tax authorities have indicated over a considerable period that their general policy is to preserve the tax neutrality of securitisation companies such as the MTN Issuer and the issuer. However, if the relevant revised tax rules, when introduced, do not maintain such tax neutrality, the MTN Issuer or the issuer, as the case may be, may in consequence be subject to corporation tax on a greater amount, and you could suffer losses on your notes as a result.

If the taxable profits of the MTN Issuer or the issuer are greater than expected, because either the profit shown in the profit and loss account as prepared (for tax purposes) in accordance with generally accepted accounting practice as applicable in the UK for the accounting periods ending 31 December 2005 is greater than 1 basis point of the principal amount outstanding, or non-deductible expenses or losses are greater than expected, the MTN Issuer or the issuer, as the case may be, will be subject to corporation tax on the greater amount at the maximum rate of currently 30 per cent., and you could suffer losses on your notes as a result.

The structure of the issue of the notes and the ratings which are to be assigned to them are based on English law, regulatory, accounting and administrative practice in effect as at the date of this prospectus, and having due regard to the expected tax treatment of the issuer and the MTN Issuer under United Kingdom tax law and the published practice of HMRC in force or applied in the United Kingdom as at the date of this prospectus. No assurance can be given as to the impact of any possible change to English law, regulatory, accounting or administrative practice in the United Kingdom or to United Kingdom tax law, or the interpretation or administration thereof, or to the published practice of HMRC, as applied in the United Kingdom after the date of this prospectus.

Change in the Taxable Nature or Basis of Taxation of the Receivables Trustee, MTN Issuer or Issuer Could Cause a Loss on Your Notes

If there is a relevant change of law in the United Kingdom or Jersey, or change of practice of HMRC, or change in the accounting treatment of the MTN Issuer or the issuer, this could result in the taxable profits of the MTN Issuer or the issuer being greater than expected and you could suffer losses on your notes as a result.

No specific transaction rulings on this issue will be obtained from HMRC. In addition, there is no case law authority on a number of features of the transactions that raise difficult questions.

Limited Nature of Credit Ratings Assigned to Your Notes

Each credit rating assigned to your notes reflects the rating agency’s assessment only of the likelihood that interest and principal will be paid to you by the final redemption date, not that it will be paid when expected or scheduled. These ratings are based on the rating agencies’ determination of the value of the receivables, the reliability of the payments on the receivables, the creditworthiness of the swap counterparty and the availability of credit enhancement.

The ratings do not address the following:

- the likelihood that the principal or interest on your notes will be redeemed or paid, as expected, on the scheduled redemption dates;
- the possibility of the imposition of United Kingdom or European withholding tax;

Ratings Can Be Lowered or Withdrawn After You Purchase Your Notes

- the marketability of the notes, or any market price; or
- that an investment in the notes is a suitable investment for you.

A rating is not a recommendation to purchase, hold or sell notes.

Any rating agency may lower its rating or withdraw its rating if, in the sole judgement of the rating agency, the credit quality of the notes has declined or is in question or for other tangible and intangible reasons. If any rating assigned to your notes is lowered or withdrawn, the market value of your notes may be reduced.

Pursuant to the swap agreement the swap counterparty may assign the swap agreement to a replacement swap counterparty if the long-term credit rating of the swap counterparty is withdrawn or reduced below "A1" by Moody's or its short-term credit rating is withdrawn or reduced below "P-1" by Moody's or its short-term credit rating is reduced below "A-1+" by Standard & Poor's and the swap counterparty has not remedied the event or conducted such other actions (such as collateralisation or the obtaining of a guarantor) set out under the terms of the swap agreement. We cannot assure you, however, that the swap counterparty will be able to find a replacement counterparty and assign the swap agreement in this event or that the ratings of your notes will not be withdrawn or reduced in this event.

Termination of the Swap Agreement Could Result in an Early Redemption of Your Notes

The swap agreement may be terminated, but only if the issuer has been directed to do so by the relevant noteholders, if as a result of a change in applicable law, withholding taxes would be imposed – by any jurisdiction – on payments to the issuer under the series 06-1 medium term note certificate or on any payments made or required to be made to the issuer by the swap counterparty or by the issuer to the swap counterparty under the swap agreement and there are not any reasonable measures that the swap counterparty or the issuer can take to avoid their imposition. In addition, the swap agreement may be terminated, but only if the issuer has been directed to do so by the relevant noteholders, if as a result of a change in applicable law, the issuer or any paying agent has or will become obligated to deduct or withhold amounts from payments on the related class of notes to be made to any of the related noteholders on the next interest payment date, for any tax, assessment or other governmental charge imposed by the United Kingdom or any political subdivision or taxing authority of the United Kingdom on the payments and there are no reasonable measures the issuer can take to avoid the tax or assessment.

A payment default by the swap counterparty or a default in the payment in respect of interest by the issuer to the swap counterparty, if funds are available to the issuer to make that payment, will result in a termination of the swap agreement. The swap agreement may also terminate following a material breach of a representation or covenant by the swap counterparty, the insolvency of the issuer or the swap counterparty or changes in law resulting in illegality.

The swap agreement may also be terminated if certain other events described under "*The Swap Agreement: Common Provisions of the Swap Agreement*" occur.

The termination without replacement of the swap agreement will result in an event of default under the euro notes and a pay out event that results in a rapid amortisation period, after all other series have been redeemed. We cannot assure you that the swap

agreement will not terminate prior to the payment in full of the principal balance of the euro notes. If the swap agreement terminates prior to the payment in full of the principal balance of the euro notes, you could receive payments of principal on the euro notes before you expect them.

Change in Law May Result in Withholding Taxes on Swap Payments or the Series 06-1 Medium Term Note Certificate and this May Reduce the Amount You Are Paid on Your Notes

The issuer and the swap counterparty will each represent and warrant in the swap agreement that, under current applicable law, each of them is entitled to make all payments required to be made by them under the swap agreement free and clear of, and without deduction for or on account of, any taxes, assessments or other governmental charges – which we refer to as withholding taxes. However, neither the issuer nor the swap counterparty will be required to indemnify the other party for any withholding taxes imposed on payments under the swap agreement as a result of a change in applicable law.

If any withholding taxes would be imposed – by any jurisdiction – on payments to the issuer under the series 06-1 medium term note as a result of a change in applicable law, then the MTN Issuer additional interest payments, to the extent available, will be used to cover the shortfall in the amounts available for payment to the noteholders caused by the amount withheld (after the amounts related to the euro notes are converted at the spot exchange rate to euro). If the MTN Issuer additional interest payments are not sufficient to cover the shortfall, then payments to the class A noteholders will be reduced by the amount withheld that is not covered by the MTN Issuer additional interest payments.

If any withholding tax would be imposed – by any jurisdiction – on any payments made or required to be made by the swap counterparty to the issuer or by the issuer to the swap counterparty under the swap agreement as a result of a change in applicable law and the obligation to deduct or withhold cannot be avoided by the swap counterparty or the issuer, then the amount to be paid by the other party will be reduced also *pro rata* by any amount withheld for any withholding taxes. In that event the MTN Issuer additional interest payments, to the extent available, will be converted at the spot exchange rate in euro to cover the shortfall in the amounts available for payment on the euro notes caused by the amount withheld. If the MTN Issuer additional interest payments are not sufficient to cover the shortfall, then payments to the Class A1 noteholders will be reduced by the amount withheld that is not covered by the MTN Issuer additional interest payments. See “*The Swap Agreement – Taxation*”.

Alternatively, the issuer may terminate the swap agreement but only if it has been directed to do so by the relevant noteholders. See “*The Swap Agreement*”.

Change in Law May Result in Withholding Taxes on Your Note and this May Reduce the Amount You Are Paid on Your Notes

If any UK withholding taxes are imposed on any payments made or required to be made by the issuer or any paying agent on any class of notes, then payments to that class of noteholders will be reduced *pro rata* by any amount withheld for any withholding taxes, and in addition, if the relevant noteholders so elect to direct the issuer, the issuer will terminate the swap. See “*The Swap Agreement*.”

Payment of an Early Termination Payment to the Swap Counterparty May Reduce Payments on Your Notes

If the swap agreement is terminated before its scheduled termination date, the issuer or the swap counterparty may be liable to make an early termination payment to the other party. The amount of any early termination payment will be based on the market value of the terminated swap agreement. This market value will be computed on the basis of market quotations of the cost of entering into a swap transaction with the same terms and conditions that would have the effect of preserving the respective full payment obligations of the parties. Any early termination payment could, if the sterling/euro exchange rate has changed significantly, be substantial.

Any early termination payment made by the issuer to the swap counterparty under the swap agreement will be made first from MTN Issuer additional interest payments and second from repayments of principal on the series 06-1 medium term note certificate equal to the amount of principal repayments received by the issuer on the series 06-1 medium term note certificate. That could cause the sterling amounts available for conversion to euro, and possibly payments on the euro notes to be reduced – perhaps substantially. If the amount of available MTN Issuer additional interest payments and repayments of principal on the series 06-1 medium term note certificate is insufficient to pay the early termination payment under the swap agreement, the balance of the early termination payment will be paid to the extent that such amounts are available on the next interest payment date together with interest. See “*The Swap Agreement*”.

You will not Receive Physical Notes, Which May Cause Delays in Distributions and Hamper Your Ability to Pledge or Resell the Notes

Unless the global note certificates are exchanged for individual note certificates, which will only occur under a limited set of circumstances, your beneficial ownership of the notes will only be registered in book-entry form with Euroclear or Clearstream, Luxembourg. The lack of physical notes could, among other things:

- result in payment delays on the notes because we will be sending distributions on the notes to Euroclear or Clearstream, Luxembourg instead of directly to you;
- make it difficult for you to pledge or otherwise grant security over the notes if physical notes are required by the party demanding the pledge or other security; and
- hinder your ability to resell the notes because some investors may be unwilling to buy notes that are not in physical form.

Introduction

You can find a listing of the pages where terms used in this prospectus are defined under the caption "*Index Of Terms For Prospectus*" beginning on page 147.

Currency Presentation

References throughout this document to "£", "pounds", "sterling" or "pounds sterling" are to the lawful currency of the United Kingdom of Great Britain and Northern Ireland. References in this document to "euro" or "€" are to the single currency introduced at the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Communities, as amended by the Treaty on European Union.

The Issuer

The issuer was formed in England and Wales on 12 January 2006 under the name of Pillpark PLC with registered number 5673212 as a public company with limited liability under the Companies Acts 1985 and 1989, which is also the primary legislation under which the issuer operates. It passed a special resolution to change its name to Gracechurch Card Funding (No. 12) PLC on 17 February 2006 and passed another special resolution to change its name to Gracechurch Card Notes 2006-A PLC on 15 August 2006. Its registered office and principal place of business are located at 1 Churchill Place, London E14 5HP, United Kingdom (tel: 0207 1161000). The issuer has no subsidiaries.

The issuer was incorporated with an authorised share capital of £50,000, comprising 50,000 ordinary shares of £1 each. Two ordinary shares were allotted for cash, and fully paid, on incorporation. On 17 February 2006, 49,998 ordinary shares were resolved to be allotted and on 17 February 2006 were each quarter paid. 49,999 shares are held by Gracechurch Card (Holdings) Limited and one share is held by a share trustee under the terms of a share declaration of trust. The Issuer has a fiscal year end date of 31 December. There is no loan capital, borrowing, other indebtedness, contingent liabilities or guarantees as at the date of this prospectus in respect of this company. There has been no material change in the capitalisation, indebtedness, guarantees and contingent liabilities and the issuer has not traded since 12 January 2006 (being the date of incorporation of the company).

The issuer was formed principally to:

- issue the notes;
- enter into all financial arrangements in order to issue the notes;
- purchase the series 06-1 medium term note certificate; and
- enter into all the documents necessary to purchase the series 06-1 medium term note certificate.

Directors and Secretary

The following sets out the directors of the issuer and their business addresses and principal activities. Because the issuer is organised as a special purpose company and will be largely passive, it is expected that the directors of the issuer in that capacity will participate in its management to a limited extent.

<i>Name</i>	<i>Nationality</i>	<i>Business Address</i>	<i>Principal Activities</i>
Jonathon Albright	American	1234 Pavilion Drive, Northampton NN4 7SG	Finance Director, Barclaycard
SFM Directors Limited	British	35 Great St. Helen's, London EC3A 6AP	Director of special purpose companies
SFM Directors (No. 2) Limited	British	35 Great St. Helen's, London EC3A 6AP	Director of special purpose companies

John Llewellyn-Jones is an alternate director to Jonathon Albright. His principal activity is Financial Controller, Barclaycard. His business address is 1234 Pavilion Drive, Northampton NN4 7SG.

The directors of SFM Directors Limited and SFM Directors (No. 2) Limited are Jonathan Keighley, James Macdonald, Robert Berry and James France. Their principal activities include the provision of directors and corporate management services to structured finance transactions as directors on the boards of SFM Directors Limited and SFM Directors (No. 2) Limited.

Barcosec Limited will provide the issuer with general secretarial, registrar and company administration services. The directors of Barcosec Limited are Alison Bibby, Marie Smith, David Blizzard, Clare Carson, Patrick Gonsalves, Frances Niven, Rebecca Potts and Emma Johnson. The fees of Barcosec Limited for providing such services will be included in the MTN Issuer Costs Amounts. See "Series 06-1: Allocation, Calculation and Distribution of Finance Charge Collections to the MTN Issuer".

The secretary of the issuer:

<i>Name</i>	<i>Business Address</i>
Barcosec Limited	1 Churchill Place, London E14 5HP

The net proceeds of the sale of the notes (after converting the net euro proceeds received from the euro notes to sterling under the Class A1 swap agreement) together with a drawing under the expenses loan agreement will be used by the issuer to purchase the series 06-1 medium term note certificate. The issuer will be prohibited by the trust deed and the terms and conditions of the notes from engaging in business other than:

- the business described in this prospectus;
- preserving and exercising its rights under the notes, the deed of charge, the paying agency and agent bank agreement, the trust deed, the expenses loan agreement, the swap agreement, the corporate services agreement and the underwriting agreements for the notes; and
- purchasing the series 06-1 medium term note certificate.

The issuer's ability to incur, assume or guarantee debt will also be restricted by the trust deed and the terms and conditions of the notes.

Barclays does not own, directly or indirectly, any of the share capital of the issuer.

Capitalisation and Indebtedness

As at the date of this prospectus, the issuer has no loan capital outstanding or created but unissued, no term loans outstanding and no other borrowings or indebtedness in the nature of borrowings guaranteed or unguaranteed, secured or unsecured nor any contingent liabilities.

Two ordinary shares were allotted for cash, and fully paid, on incorporation. On 17 February 2006, 49,998 ordinary shares were resolved to be allotted, and on 17 February 2006 were each quarter paid.

Management's Discussion and Analysis of Financial Conditions and Results of Operations

Sources of Capital and Liquidity

The issuer's source of capital will be the net proceeds of the offering of the notes.

The issuer's primary sources of liquidity will be payments of interest and principal on the series 06-1 medium term note certificate and borrowings under the expenses loan agreement.

Results of Operations

As of the date of this prospectus, the issuer does not have an operating history. The Issuer has not traded since its date of incorporation being 12 January 2006. Because the issuer does not have an operating history, we have not included in this prospectus any historical or pro forma ratio of earnings to fixed charges. The earnings on the series 06-1 medium term note certificate, the interest costs of the notes and the related operating expenses will determine the issuer's results of operations in the future. The income generated on the series 06-1 medium term note certificate will be used to pay principal and interest on the notes.

Litigation

There are no, nor since the issuer's incorporation on 12 January 2006 have there been any, governmental, legal or arbitration proceedings, including any proceedings that are pending or threatened of which the issuer is aware, which may have, or have had in the recent past, a significant effect on the issuer's financial position or profitability.

Use Of Proceeds

The net proceeds of the issue of the notes (after exchanging the net euro proceeds of the euro notes for sterling under the Class A1 swap agreement) will be £110,212,084. The fees and commissions payable on the issue of the notes in an amount equal to £1,678,357 will be deducted from the gross proceeds of the issue. The issuer will use its reasonable endeavours to make a drawing under the expenses loan agreement of at least an amount equal to the fees and commissions payable on the notes, such that the net proceeds and such expenses loan drawing will in aggregate be equal to £111,890,441. The issuer will use the net proceeds of the issue of the notes together with the drawing under the expenses loan agreement to purchase the series 06-1

medium term note certificate from the MTN Issuer on or about 28 September 2006 – called the “closing date”.

Expenses Loan Agreement

On the closing date, the issuer – as borrower – will enter into a loan agreement with Barclays – as lender – under which Barclays will lend to the issuer up to a maximum amount of £2,425,000 to be used by the issuer to meet its costs and expenses relating to issuing the notes. This loan agreement is called the “**expenses loan agreement**”. The amount outstanding under the expenses loan agreement will bear interest at a rate and margin as set forth under the expenses loan agreement. The payment of interest and repayment of any principal then specified as being due and repayable under the expenses loan agreement will be monthly on each Distribution Date. To the extent the issuer has insufficient funds left after making all payments of principal and interest on the notes, the amount of that interest or any repayment of principal then due will be deferred until the next Distribution Date.

The MTN Issuer

The MTN Issuer was formed in England and Wales on 13 August 1990 as Barshelfco (No. 28) Limited, with registered number 2530163, as a company with limited liability under the Companies Acts 1985 and 1989, which is the primary legislation under which the MTN Issuer operates. It re-registered as a public limited company and changed its name to Barclaycard Funding PLC on 19 October 1999. Its registered office and principal place of business are located at 1 Churchill Place, London E14 5HP, United Kingdom (tel: 0207 1161000).

The MTN Issuer has a financial year end of 31 December. The statutory financial statements of the MTN issuer for each period to 31 December 2004 were prepared in accordance with UK GAAP. The financial statements for the year ended 31 December 2005 have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the comparative period ended 31 December 2004 has been restated.

For IFRS purposes, the MTN issuer is deemed to control the Gracechurch Card Funding PLC issuers and they would be included in any consolidated financial statements prepared by the MTN issuer. The MTN issuer is exempt from having to prepare consolidated financial statements because it is an intermediate parent undertaking whose owners do not object to it not preparing consolidated financial statements and its debt and equity instruments are not traded in a public market, its financial statements are not filed with a securities commission and its ultimate parent undertaking, Barclays Bank PLC, produces consolidated financial statements available for public use that apply IFRS.

The MTN Issuer was formed principally to:

- issue medium term notes or certificates from time to time in series;
- enter into the financial arrangements to issue the medium term notes or certificates;
- purchase series of investor certificates from time to time representing a beneficial interest in the receivables trust; and
- enter into the documents and exercise its powers connected to the above.

The MTN Issuer has not engaged in any activities since its incorporation other than the above.

The £12,502 called up share capital of the MTN Issuer comprises 49,998 ordinary £1 shares that have been authorised, issued and quarter called and paid and 2 ordinary £1 shares that have been authorised, issued and fully paid up.

Barclays holds 75 per cent. of the issued share capital of the MTN Issuer, representing 51 per cent. of the issued voting share capital and a 49 per cent. entitlement to distributable profits. The remaining share capital is held by Structured Finance Management Limited.

Capitalisation and Indebtedness

Set out below is the audited capitalisation and indebtedness statement of the MTN Issuer as at the date of this prospectus extracted without material adjustment from its audited financial statements as at 31 December 2005 under IFRS adjusted for the series 06-1 medium term note certificate to be issued on 28 September 2006.

Share Capital

Total authorised and issued share capital (being 2 fully paid shares and 37,498 quarter paid A ordinary shares and 12,500 quarter paid B ordinary shares)	£12,502
Loan Note Certificate (issued 18 October 2002)	
£643,624,895 series 02-1 floating rate medium term note certificate due 2007	£643,624,895
Loan Note Certificate (issued 8 April 2003)	
£637,064,407 series 03-1 floating rate medium term note certificate due 2008	£637,064,407
Loan Note Certificate (issued 19 June 2003)	
£599,448,507 series 03-2 floating rate medium term note certificate due 2006	£599,448,507
Loan Note Certificate (issued 1 August 2003)	
£628,140,704 series 03-3 floating rate medium term note certificate due 2006	£628,140,704
Loan Note Certificate (issued 11 March 2004)	
£404,312,668 series 04-1 floating rate medium term note certificate due 2007	£404,312,668
Loan Note Certificate (issued 23 November 2004)	
£405,405,405 series 04-2 floating rate medium term note certificate due 2007	£405,405,405
Loan Note Certificate (issued 21 June 2005)	
£824,764,942 series 05-1 floating rate medium term note certificate due 2008	£824,764,942
Loan Note Certificate (issued 20 September 2005)	
£815,239,545 series 05-2 floating rate medium term note certificate due 2008	£815,239,545
Loan Note Certificate (issued on 20 October 2005)	
£1,273,702,000 series 05-3 floating rate medium term note certificate due 2010	£1,273,702,000
Loan Note Certificate (issued on 22 November 2005)	
£583,600,817 series 05-4 floating rate medium term note certificate due 2008	£583,600,817
Accrued fees and charges	£183,530*
Interest payable	£15,590,642*
Capitalisation and indebtedness as at 31 December 2005	£6,831,090,564
Loan Note Certificate (redeemed 15 June 2006)	(£599,448,507)
£599,448,507 series 03-2 floating rate medium term note certificate	
Loan Note Certificate (redeemed 15 August 2006)	(£628,140,704)
£628,140,704 series 03-3 floating rate medium term note certificate	
Loan Note Certificate (now being issued)	
£111,890,441 series 06-1 floating rate medium term note certificate due 2010	£111,890,441
Total capitalisation and Indebtedness	£5,715,391,794

There are no other outstanding loans or subscriptions, allotments or options in respect of the MTN Issuer. Save as disclosed herein, as at the date of this prospectus, the MTN Issuer has no loan capital outstanding. There are no other borrowings or indebtedness in the nature of borrowings guaranteed or unguaranteed, secured or unsecured, no unsecured or guaranteed issued loan capital or in respect of the MTN Issuer.

The MTN issuer is included in the Barclays Group registration for VAT purposes. As a company included in that group registration, broadly, it will be liable, on a joint and several basis with all other companies in the VAT group registration for the VAT liability of the representative member of the VAT group (Barclays Bank PLC) arising during the company's period of membership.

There is no goodwill in the balance sheet of the MTN Issuer, nor will any goodwill need to be written off upon the issue of the series 06-1 medium term note certificate.

For the £643,624,895 series 02-1, the £637,064,407 series 03-1, the £404,312,668 series 04-1, the £405,405,405 series 04-2, the £824,764,942 series 05-1, the £815,239,545 series 05-2, the £1,273,702,000 series 05-3 and the £583,600,817 series 05-4 limited recourse medium term note

certificates following the accumulation period of principal collections due in 2007, 2008, 2007, 2007, 2008, 2008, 2010 and 2008 respectively, the MTN Issuer will pass the amounts received on repayment of its share of the investor interests in respect of series 02-1, series 03-1, series 04-1, series 04-2, series 05-1, series 05-2, series 05-3 and series 05-4 from the receivables trustee to the relevant issuer of the series 02-1, 03-1, 04-1, 04-2, 05-1, 05-2, 05-3 and 05-4, respectively.

In the periods up until 2007, up until 2008, up until 2007, up until 2007, up until 2008, up until 2008, up until 2010 and up until 2008 the MTN Issuer passes amounts received from the receivable trustee in connection with the investor interest to the series 02-1, the series 03-1, the series 04-1, the series 04-2, the series 05-1, the series 05-2 issuers, the series 05-3 issuers and the series 05-4 issuers, respectively, the rate of return on which is at a variable rate of interest, as outlined below. The payment of interest and repayment of principal on the advance to the investor certificates is dependent upon payment of interest and repayment of principal due under the credit card receivables held pursuant to the receivables trust, and is therefore subject to the risk of non-payment of the credit card receivables. Certain events could alter the exposure and change the payment profile or any other financial positions including the rapid amortisation period as triggered by a pay-out event, after the occurrence of the Pay Out Commencement Date, see "*Risk factors*".

The £643,624,895 series 02-1 medium term note certificate has the following interest rates:

- for the first interest period from 24 October 2002 to 15 December 2002, the interest rate applicable was an interpolation between one and two month sterling LIBOR – plus 0.19345%.
- for the second interest period, from 15 December 2002 to 15 January 2003, the interest rate applicable was one month sterling LIBOR – plus 0.19345%.
- for the third and subsequent monthly interest periods, the interest rate applicable is three-month sterling LIBOR – plus 0.19345%.

The £637,064,407 series 03-1 medium term note certificate has the following interest rates:

- for the first interest period from 8 April 2003 to 15 June 2003, the interest rate applicable was an interpolation between two and three-month sterling LIBOR – plus 0.20214%.
- for the second and subsequent monthly interest periods, the interest rate applicable is three-month sterling LIBOR – plus 0.20214%.

The £404,312,668 series 04-1 medium term note certificate has the following interest rates:

- for the first interest period from 11 March 2004 to 17 May 2004, the interest rate applicable was an interpolation between two and 3-month sterling LIBOR – plus 0.1076%.
- for the second and subsequent monthly interest periods, the interest rate applicable is three-month sterling LIBOR – plus 0.1076%.

The £405,405,405 series 04-2 medium term note certificate has the following interest rates:

- for the first interest period from 23 November 2004 to 18 January 2005, the interest rate applicable was an interpolation between one and two month sterling LIBOR – plus 0.0647%.
- For the second and subsequent monthly interest periods, the interest rate applicable was three-month sterling LIBOR plus – 0.0647%.

The £824,764,942 series 05-1 medium term note certificate has the following interest rates:

- for the first interest period from 21 June 2005 to 15 August 2005, the interest rate applicable will be an interpolation between one and two month sterling LIBOR – plus 0.0530%.
- for the second interest period from 15 August 2005 to 15 September 2005, the interest rate applicable will be one month sterling LIBOR – plus 0.0530%.
- for the third and subsequent monthly interest periods, the interest rate applicable will be three-month sterling LIBOR – plus 0.0530%.

The £815,239,545 series 05-2 medium term note certificate has the following interest rates:

- for the first interest period from 20 September 2005 to 15 November 2005, and for each of the 15 December 2005 and the 17 January 2006 interest payment dates, the interest rate applicable will be an interpolation between three and four month sterling LIBOR – plus 0.0551%.
- for the fourth and subsequent monthly interest periods up to and including July 2008, the interest rate applicable will be three-month sterling LIBOR – plus 0.0551%.

- for the interest period commencing in July 2008, the interest rate applicable will be two month sterling LIBOR – plus 0.0551%.

The £1,273,702,000 series 05-3 medium term note certificate has the following interest rates:

- for the first interest period from 20 October 2005 to 15 December 2005, the interest rate applicable will be a linear interpolation of two-month sterling LIBOR and three-month sterling LIBOR – plus 0.1228%.
- for the second interest period from 15 December 2005 to 16 January 2006, the interest rate applicable will be a linear interpolation of two-month sterling LIBOR and three-month sterling LIBOR – plus 0.1228%.
- for each subsequent monthly interest period, the interest rate applicable will be three-month sterling LIBOR – plus 0.1228%.

The £583,600,817 series 05-4 medium term note certificate has the following interest rates:

- for the first and second interest periods from 22 November 2005 to 15 February 2006, the interest rate applicable will be an interpolation between two and three-month sterling LIBOR – plus 0.0556%.
- for each subsequent monthly interest period, the interest rate applicable will be three-month sterling LIBOR – plus 0.0556%.

The £111,890,441 series 06-1 medium term note certificate will have the following interest rates:

- for the first interest period from the closing date to 15 December 2006, the interest rate applicable will be a linear interpolation of 2-month sterling LIBOR and 3-month sterling LIBOR – plus 2.585%.
- for each subsequent monthly interest period, the interest rate applicable will be one-month sterling LIBOR – plus 2.585%.

The trend in payments passed from the MTN Issuer to the relevant issuers in relation to the series 02-1, series 03-1, series 04-1, series 04-2, series 05-1, series 05-2, series 05-3 and series 05-4 medium term note certificates and subsequent issuances are related to fluctuations in sterling LIBOR.

The MTN Issuer considers related parties to be entities which the MTN Issuer can significantly influence or has an ownership interest in that allows it influence to an extent that the other party might be prevented from fully pursuing its own separate interests. There is no relationship which exists that is material to the issue of the series 06-1 medium term note certificate between the MTN Issuer and the cardholders.

Parties are considered to be related if one party, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with an enterprise.

The related party transactions of the MTN Issuer comprise some transfers in relation to the investor interest; derivative transactions; bank accounts; and loan arrangements.

The MTN Issuer's primary source of liquidity are payments of principal and interest on the series of investor certificates.

Directors and Secretary

The following sets out the directors of the MTN Issuer and their business addresses and principal activities. Because the MTN Issuer is organised as a special purpose company and will be largely passive, it is expected that the directors of the MTN Issuer in that capacity will participate in its management to a limited extent.

<i>Name</i>	<i>Nationality</i>	<i>Business Address</i>	<i>Principal Activities</i>
Jonathon Albright	American	1234 Pavilion Drive, Northampton NN4 7SG	Finance Director, Barclaycard
John Llewellyn-Jones	British	1234 Pavilion Drive, Northampton NN4 7SG	Financial Controller, Barclaycard
SFM Directors Limited	British	35 Great St. Helen's, London EC3A 6AP	Director of special purpose companies

Jonathan Keighley, James Macdonald, Robert Berry and James France are the directors of SFM Directors Limited. SFM Directors Limited is also a director of the issuer. Jonathon Albright is also a director of the issuer and John Llewellyn-Jones is an alternate director of the issuer.

The secretary of the MTN Issuer is:

<i>Name</i>	<i>Business Address</i>
Barcosec Limited	1 Churchill Place, London E14 5HP

The directors of Barcosec Limited are Alison Bibby, Marie Smith, David Blizzard, Clare Carson, Patrick Gonsalves, Frances Niven, Rebecca Potts and Emma Johnson. The business address of the directors of Barcosec Limited is 1 Churchill Place, London E14 5HP. Barcosec Limited will provide the MTN Issuer with general secretarial, registrar and company administration services. The fees of Barcosec Limited for providing such services will be included in the MTN Issuer Costs Amounts. The business address of the directors of SFM Directors Limited is 35 Great St. Helen's, London EC3A 6AP. See "Series 06-1: Allocation, Calculation and Distribution of Finance Charge Collections to the MTN Issuer".

The initial subscription proceeds of the sale of the series 06-1 medium term note certificate will be used by the MTN Issuer to acquire a certificate representing a beneficial interest in series 06-1 of the receivables trust – called the "investor certificate". The deferred subscription price payable for the series 06-1 medium term note certificate will be used by the MTN Issuer to pay deferred consideration to Barclaycard for the transfer of its entitlement to receive excess interest attributable to series 06-1.

Litigation

There are no, nor since the MTN Issuer's incorporation on 13 August 1990 have there been any, governmental, legal or arbitration proceedings, including any proceedings that are pending or threatened of which the MTN Issuer is aware, which may have, or have had in the recent past, covering at least the previous 12 months, a significant effect on the MTN Issuer's financial position or profitability.

The Receivables Trustee

The receivables trustee was formed under the laws of Jersey, Channel Islands on 29 September 1999. Its registered office is at 26 New Street, St Helier, Jersey JE2 3RA and you can inspect its memorandum and articles of association at the offices of Clifford Chance Limited Liability Partnership at 10 Upper Bank Street, London E14 5JJ, United Kingdom.

All of the issued share capital of the receivables trustee is held by a trust company formed in Jersey, Bedell Trustees Limited, on the terms of a general charitable trust.

The receivables trustee was formed principally to:

- act as a trustee of the receivables trust;
- purchase and accept transfer of the receivables from the transferor;
- issue series of investor certificates from time to time on behalf of the receivables trust; and
- enter into transaction documents incidental to or relating to those activities.

Directors and Secretary

Bedell Trust Company Limited, a company formed under the laws of Jersey, provides the receivables trustee with company secretarial, registrar and company administration services. Its fees for providing these services are included in the fees paid to the receivables trustee. See the section "*The Receivables Trust: Trustee Payment Amount*". The company secretary is Bedell Secretaries Limited, a company formed under the laws of Jersey.

The following sets out the directors of the receivables trustee and their business addresses and principal activities. The receivables trustee is organised as a special purpose company and is largely passive, engaging only in the types of transactions described in this prospectus. The receivables trustee is managed and controlled by its directors in Jersey; however it is expected that it will require only a small amount of active management.

<i>Name</i>	<i>Nationality</i>	<i>Business Address</i>	<i>Principal Activities</i>
Shane Michael Hollywood	British	26 New Street, St. Helier, Jersey JE2 3RA	Advocate of the Royal Court of Jersey
Richard Charles Gerwat	British	26 New Street, St. Helier, Jersey JE2 3RA	Advocate of the Royal Court of Jersey

Shane Michael Hollywood and Richard Charles Gerwat are also directors of Bedell Trustees Limited, Bedell Secretaries Limited and Bedell Trust Company Limited, partners in the Bedell Group Partnership (which ultimately owns the aforesaid companies) and partners in the law firm Bedell Cristin.

The directors of the receivables trustee do not have a specific term of office but each may be removed by a resolution passed at a shareholders' meeting.

Barclays Bank PLC does not own, directly or indirectly, any of the share capital of the receivables trustee.

Management and Activities

The receivables trustee has been established specifically to act as trustee of the receivables trust. Its activities are restricted by the declaration of trust and trust cash management agreement and the related supplements.

Since it was formed, the receivables trustee has:

- engaged in activities incidental to the declaration of the receivables trust;
- obtained the necessary consumer credit licence and data protection registrations in the United Kingdom and/or Jersey;
- authorised and executed the documents that it is a party to in order to establish the receivables trust;
- purchased and accepted transfers of the receivables from the transferors;
- issued certificates to beneficiaries in respect of their interests in the receivables trust;

- established and maintained a register of the entitlements of beneficiaries under the receivables trust;
- engaged in activities incidental to the transfer to it of receivables under the designated accounts; and
- authorised and executed the other documents to which it is party.

The receivables trustee has not engaged in any activities since its incorporation other than the above and matters incidental to the above.

The receivables trustee has made a number of covenants in the declaration of trust and trust cash management agreement, including that it will not without the prior written consent of each of the beneficiaries of the receivables trust:

- carry on any business other than as trustee of the receivables trust and will not engage in any activity or do anything at all except:
 - (1) hold and exercise its rights in the trust property of the receivables trust and perform its obligations for the receivables trust's property;
 - (2) preserve, exercise and enforce any of its rights and perform and observe its obligations under the declaration of trust and trust cash management agreement, the receivables sale agreement, the master definitions schedule, each supplement and each other related document, including any documents secured directly or indirectly by a series of investor certificates issued under the receivables trust, any mandate and other agreement about a Trust Account or a bank account in which the receivables trustee has a beneficial interest, the trust section 75 indemnity, and any other document contemplated by and executed in connection with any of the preceding documents. We refer to these documents collectively as "**relevant documents**";
 - (3) pay dividends or make other distributions to the extent required by applicable law;
 - (4) use, invest or dispose of any of its property or assets in the manner provided in or contemplated by the relevant documents; and
 - (5) perform any and all acts incidental to or otherwise necessary in connection with (1), (2), (3) or (4) above;
- incur any debt other than debt that is described by this prospectus or a supplement or contemplated by the relevant documents;
- give any guarantee or indemnity in respect of any debt;
- create any mortgage, charge, pledge, lien or other encumbrance securing any obligation of any person or other type of preferential arrangement having similar effect, over any of its assets, or use, invest, sell or otherwise dispose of any part of its assets, including any uncalled capital, or undertaking, present or future, other than as expressly contemplated by the relevant documents;
- consolidate or merge with any other person or convey or transfer its properties or assets to any person;
- permit the validity or effectiveness of the receivables trust to be supplemented, amended, varied, terminated, postponed or discharged – other than as expressly contemplated in the declaration of trust and trust cash management agreement or in any supplement; or
- have an interest in any bank account other than a Trust Account and its own bank account opened for the purpose of receiving and making payments to be made otherwise than in its capacity as receivables trustee – including paying the servicing fee to the servicer or cash management fee to the trust cash manager and the annual fee due to Bedell Trust Company Limited for the provision of corporate services to the receivables trustee.

Litigation

There are no, nor since the receivables trustee's incorporation on 29 September 1999 have there been any, governmental, legal or arbitration proceedings, including any proceedings that are pending or threatened of which the receivables trustee is aware, which may have, or have had in the recent past, covering at least the previous 12 months, a significant effect on the receivables trustee's financial position or profitability.

Barclays Bank PLC

Barclays Bank PLC will perform the following roles in connection with the issuance of the notes:

- initial transferor;
- servicer;
- cash manager for the receivables trust and the medium term notes and certificates;
- transferor beneficiary and excess interest beneficiary;
- swap counterparty;
- lender under expenses loan agreement; and
- an underwriter.

Business

Barclays Bank PLC is a public limited company registered in England and Wales under number 1026167. The liability of the members of Barclays Bank PLC is limited. It has its registered head office at 1 Churchill Place, London E14 5HP. Barclays Bank PLC was incorporated on 7 August 1925 under the Colonial Bank Act 1925 and on 4 October 1971 was registered as a company limited by shares under the Companies Acts 1948 to 1967. Pursuant to The Barclays Bank Act 1984, on 1 January 1985, Barclays Bank PLC was re-registered as a public limited company and its name was changed from "Barclays Bank International Limited" to "Barclays Bank PLC".

Barclays Bank PLC and its subsidiary undertakings (taken together, the "Barclays Group") is a major global financial services provider engaged in retail and commercial banking, credit cards, investment banking, wealth management and investment management services. The whole of the issued ordinary share capital of Barclays Bank PLC is beneficially owned by Barclays PLC, which is the ultimate holding company of the Barclays Group and one of the largest financial services companies in the world by market capitalisation.

The short-term unsecured obligations of Barclays Bank PLC are rated A-1+ by Standard & Poor's, P-1 by Moody's and F1+ by Fitch Ratings Limited and the long-term obligations of Barclays Bank PLC are rated AA by Standard & Poor's, Aa1 by Moody's and AA+ by Fitch Ratings Limited.

The Barclays Group has applied International Financial Reporting Standards ("IFRS") from 1 January 2004, with the exception of the standards relating to financial instruments (IAS 32 and IAS 39) and insurance contracts (IFRS 4) which were applied only with effect from 1 January 2005. Therefore, in the Barclays Group's 2005 Annual Report, the impacts of adopting IAS 32, IAS 39 and IFRS 4 are not included in the 2004 comparatives in accordance with First-time Adoption of International Financial Reporting Standards (IFRS 1). The results for 2005 are therefore not entirely comparable to those for 2004 in affected areas.

Based on the Barclays Group audited financial information for the year ended 31 December 2005, prepared in accordance with IFRS, the Barclays Group had total assets of £924,170 million (2004: £538,300 million), total net loans and advances¹ of £300,001 million (2004: £343,041 million), total deposits² of £313,811 million (2004: £328,516 million), and total shareholders' equity of £24,243 million (2004: £16,849 million) (including minority interests of £1,578 million (2004: £211 million)). The profit before tax of the Barclays Group for the year ended 31 December 2005 was £5,311 million (2004: £4,589 million) after impairment charges on loans and advances and other credit provisions of £1,571 million (2004: £1,093 million). The financial information in this paragraph is extracted from the audited consolidated accounts of the Barclays Group for the year ended 31 December 2005.

Based on the Barclays Group unaudited financial information for the period ended 30 June 2006, the Barclays Group had total assets of £986,375 million (2005: £850,388 million), total net loans and advances¹ of £317,427 million (2005: £272,348 million), total deposits² of £339,421 million (2005: £302,253 million) and shareholders' equity of £25,790 million (2005: £22,050 million) (including minority interests of £1,608 million (2005: £200 million)). The profit before tax of the Barclays Group for the period ended 30 June 2006 was £3,700 million (2005: £2,690 million) after impairment charges on loans and advances and other credit provisions of £1,057 million (2005: £706 million). The financial information in this paragraph is extracted from the unaudited consolidated accounts of the Barclays Group for the half-year ended 30 June 2006.

The annual report on Form 20-F for the year ended 31 December 2005 of Barclays PLC and Barclays Bank PLC is on file with the Securities and Exchange Commission, and the Securities and

1 Total net loans and advances include balances relating to both banks and customer accounts.

2 Total deposits include deposits from banks and customer accounts.

Exchange Commission has been furnished with the interim report on Form 6-K for the semi-annual period ended 30 June 2006 of Barclays PLC and Barclays Bank PLC. Barclays will provide, without charge to each person to whom this prospectus is delivered, on the request of that person, a copy of the Form 20-F and Form 6-K referred to in the previous sentence. Written requests should be directed to: Barclays Bank PLC, 1 Churchill Place, London E14 5HP, England, Attention: Barclays Corporate Secretariat.

None of the Class A notes will be obligations of Barclays Bank PLC or any of its affiliates.

Credit Card Usage In The United Kingdom

The United Kingdom credit card market is the largest and most developed in Europe. The total population of the United Kingdom is approximately 58 million with the adult population accounting for about 60 per cent. of this. It is estimated that approximately two thirds of the adult British population holds at least one credit card.

The number of cards issued has grown by 38 million since 1993 to about 68.7 million today. Of these, about 58 per cent. carried the VISA service mark and 42 per cent. the MasterCard service mark.

Credit and charge card purchases in the UK, in the twelve months to June 2006, totalled almost £153 billion. UK credit card borrowings have more than doubled since 1994, and were approximately £66 billion in June 2006.

Barclaycard and the Barclaycard Card Portfolio

General

Barclaycard, a division of Barclays Bank PLC, is one of the leading credit card businesses in Europe. In addition to its operations in the United Kingdom, Barclaycard is active in Germany, Spain, USA, Greece, France, Italy, Portugal, Ireland and across Africa. Barclaycard offers a full range of credit card services to individual and corporate customers, together with card payment facilities to retailers and other businesses. Barclaycard now incorporates all of the Group's UK unsecured and card lending products and expertise. Barclaycard is based in Northampton, England and has in excess of 6000 employees. In 1966, Barclaycard issued the UK's first credit card and as of 30 June 2006 Barclaycard, on a managed basis, had £26,319 million of gross customer receivables, including consumer loans. Of this amount, £10,145 million were MasterCard and VISA credit and charge card receivables originated in the UK. Barclaycard offers over 30 credit card products and services to individual and corporate customers. The average UK customer has had a Barclaycard for approximately 10 years.

The receivables being securitised come from transactions made by MasterCard and VISA card accountholders.

A cardholder may use his or her card for both purchases and cash advances. A purchase is when cardholders use their cards to acquire goods or services. A cash advance is when cardholders use their cards to get cash from a financial institution or automated teller machine or use credit card cheques issued by Barclaycard drawn against their credit lines.

See "*Servicing of Receivables and Trust Cash Management*" for a description of how Barclaycard services receivables included in the securitisation. Barclaycard undertakes all the processing and administering of accounts making use of external suppliers as appropriate. In particular, initial datacapture of applicants is undertaken by ASTRON (Business Processing Solutions), an outsource partner of Barclaycard, and cardholder postal payment processing is also undertaken for Barclaycard by ASTRON (Business Processing Solutions).

Acquisition and Use of Credit Card Accounts

Barclaycard uses a brand led, value driven marketing strategy to focus new origination campaigns. This process is assisted by the use of financial forecasting models for each method it uses to solicit cardholders. Barclaycard recruits a significant proportion of its customers by introductions from Barclays branches. It also uses, among others, targeted mailing, media inserts and the internet.

When received, credit application details are screened by a combination of system based checking, external credit bureau data and manual verification, where appropriate.

Barclaycard uses a range of application scorecards to assess the credit quality of new account applications. Scorecards are derived using a combination of factors including their Barclays account history, annual income, time at and place of residence, current employment and credit bureau data. A proprietary cash flow model is used to help determine the acceptance score levels for each scorecard.

The initial limit of an account is determined using credit score and other applicant characteristics including income matrices. Initial limits are set at comparatively low levels. Limits are increased in a controlled and regular manner using behaviour score and credit bureau data. Behaviour scoring

was introduced in 1989 and is one of the key tools used by Barclaycard in risk management and underpins all risk decisions applied to accounts once they have been opened.

Credit limits are adjusted based upon Barclaycard's continuing evaluation of an account holder's credit behaviour and suitability using a range of statistical models.

Each cardholder has a card agreement with Barclaycard governing the terms and conditions of their MasterCard or VISA account. Under each card agreement, Barclaycard is able, if it gives advance notice to the cardholder, to add or change any terms, conditions, services or features of the MasterCard or VISA accounts at any time. This includes increasing or decreasing periodic finance charges, or minimum payment terms. Each card agreement enables Barclaycard to apply charges to current outstanding balances as well as to future transactions.

Barclaycard regularly reviews its credit and charge card agreement forms to determine their compliance with applicable law and the suitability of their terms and conditions. If they need to be updated or amended, this will be done on a timetable consistent with the issues identified.

Description of Processing

Barclaycard settlement systems have links to VISA and MasterCard to enable cardholder transactions to be transferred. Barclaycard also acquires transactions from merchants. Transactions acquired in this way relating to Barclaycard cardholders are passed to the card account processing systems directly rather than via VISA or MasterCard.

Billing and Payment

Barclaycard generates and mails monthly statements to cardholders which give details of the transactions for that account.

Cardholders receive up to 56 days interest free on purchases before they are required to make a payment.

At the moment, cardholders must make a monthly minimum payment which is at least equal to the greater of:

- a range between 2.25 per cent. and 5 per cent. depending on the type of card; and
- the stated minimum payment, which is currently £2.50.

Notwithstanding the above, in the case of the Premier Card, Barclaycard's charge card product, cardholders must pay the statement balance in full, which is collected via direct debit 14 days after the date of the statement.

Certain eligible cardholders may be given the option to take a payment holiday.

Barclaycard charges late and over-limit fees as well as charges for returned cheques and returned direct debits. Charges may also be made, to a lesser extent, for copy statements and copy vouchers. Whilst Barclaycard does not charge an annual fee on all products, annual fees can be up to £150 on those products on which an annual fee is charged. Barclaycard also assesses a cash advance fee which ranges from 1.5 per cent. to 2.5 per cent., with minimum charges of £5.

The finance charges on purchases assessed monthly are calculated by multiplying the account's average daily purchase balance over the billing period by the applicable monthly rate. Finance charges are calculated on purchases from the date of the transaction. Monthly periodic finance charges are not assessed on purchases if all balances shown in the billing statement are paid by the date they are due. This is usually 25 days after the billing date.

The finance charges on cash advances assessed monthly are calculated by multiplying the account's average daily balance of cash advances over the billing period by the applicable monthly rate. Finance charges are calculated on cash advances from the date of the transaction – except for cash advances by use of credit card cheques, where finance charges are usually calculated from the date the transaction is debited to the relevant account.

The interest rates on Barclaycard's credit card accounts may be changed by Barclaycard and are not currently linked to any index. This is market practice in the United Kingdom. At the moment, the standard annual percentage rate of charge for purchases on accounts ranges from 8.9 to 25.9 per cent. (excluding introductory offers). Barclaycard may sometimes offer temporary promotional rates. Barclaycard also offers activation programs and other incentives.

Pricing decisions are based upon:

- actual and anticipated movements in underlying interest rates;
- marketing strategies and recruitment campaigns; and
- competitive environment.

English law does not prescribe a maximum rate that may be charged as interest for a debt. However, the obligation to make interest payments will not be enforceable to the extent that the interest rate is extortionate. An interest rate will be extortionate if it requires the debtor or a relative of the debtor to make payments – whether unconditionally or on certain contingencies – which are grossly exorbitant, or which otherwise grossly contravene ordinary principles of fair dealing. Barclaycard believes that the interest rates charged on its cards do not contravene any laws relating to extortionate credit agreements.

Delinquency and Loss Experience

An account is contractually delinquent if the minimum payment is not received by the due date indicated on the customer's statement. An account does not actually become delinquent until a new customer statement is sent following a missed payment on the account. Once an account is recognised as delinquent, the account is electronically flagged as delinquent. The basis upon which the account is transferred to a collections team within Barclaycard may include the product type, the age of the account, the amount outstanding, the past performance and behaviour score, and any information that is available from external credit bureaus or Barclays Bank. The collections team utilise a strategic decision making process to determine the timing and type of contact that will be made to the customer in respect of the delinquency.

Efforts to deal with delinquent receivables occur at each stage of delinquency. Activities include statement messages, telephone calls, formal letters, SMS Text Messages, calling cards and telemessages. Accounts are automatically charged off within the month they attain 180 days of delinquency unless there is specialist activity in place. An account may be charged off before it is 180 days delinquent. This decision is based upon an assessment of the likelihood of recovery and rehabilitation of the individual account and may occur at any point in the process. In certain circumstances, bankruptcies are charged off on notification and deaths are charged off 90 days after notification. In addition, there are instances where accounts are not charged-off after 180 days of delinquency because of the presence of "**specialist activities**". Specialist activities include insurance claims, authorised user disputes, voucher disputes and complaints. Barclaycard may reduce the minimum repayment terms for an account and place the account on a repayment program if it is believed that this would improve the likelihood of returning the account to performing status.

As part of any recovery activity, accounts may be passed to external debt collection agencies to seek recovery.

Once charged-off, a portion of the receivables are typically sold to debt collection agencies to maximise recoveries. Post charge-off account rehabilitation may occur where improved credit circumstances and significant recovery occurs. However, charging privileges can only be re-instated once the cardholder has been accepted for a new account.

The following tables set forth the delinquency and loss experience of Barclaycard's securitised portfolio of VISA and MasterCard credit and charge card accounts denominated in pounds sterling – called the "**securitised portfolio**" – for each of the periods shown. The securitised portfolio includes platinum, gold and classic VISA and MasterCard credit cards and the Premier VISA charge card. The securitised portfolio currently does not include the portfolio of credit card accounts acquired by Barclaycard with Barclays PLC's purchase of Woolwich in October 2000 or the portfolio of credit card accounts purchased from Providian's UK operations in April 2002 or the portfolio of store card accounts purchased from Clydesdale Financial Services in May 2003. Because the economic environment may change, we cannot assure you that the delinquency and loss experience of the securitised portfolio will be the same as the historical experience set forth below.

The delinquency statistics are obtained from billing cycle information as opposed to month end positions.

Delinquency Experience Securitised Portfolio

	<i>As at 30 June</i>		2005		2004		<i>As at 31 December</i>		2002		2001	
	2006	%	£	%	£	%	2003	%	£	%	£	%
Principle Receivables outstanding	8,295,339,062		8,799,413,609		9,570,542,329.18		8,809,951,299		8,134,903,782		7,486,117,963	
Receivables delinquent (Note 1 & 2)												
30-59 days	236,994,663	2.86%	210,743,194	2.39%	198,840,674	2.08%	207,010,453	2.35%	155,461,496	1.91%	164,292,364	2.19%
60-89 days	122,932,370	1.48%	118,701,505	1.35%	95,983,432	1.00%	91,920,270	1.04%	66,573,436	0.82%	83,167,801	1.11%
90-119 days	91,713,097	1.11%	85,728,806	0.97%	64,996,729	0.68%	60,220,345	0.68%	41,953,754	0.52%	49,797,514	0.67%
120-149 days	76,664,852	0.92%	70,162,755	0.80%	51,264,718	0.54%	47,130,304	0.53%	26,300,258	0.32%	30,585,515	0.41%
150 days or more	117,713,027	1.42%	68,468,543	0.78%	49,072,167	0.51%	37,899,670	0.43%	44,022,007	0.54%	50,072,686	0.67%
Total	646,018,009	7.79%	553,804,803	6.29%	460,157,720	4.81%	444,181,042	5.04%	334,310,951	4.11%	377,915,880	5.05%

Note 1 Receivable delinquent balances are as at the latest billing date before the dates shown. The percentages are computed as a percentage of receivables as at the dates shown.

Note 2 Includes accounts on repayment programmes

Loss Experience Securitised Portfolio

<i>Table Currency – GBP</i>	<i>6 months ended 30 June 2006</i>	<i>Year ended 31 December 2005</i>	<i>Year ended 31 December 2004</i>	<i>Year ended 31 December 2003</i>	<i>Year ended 31 December 2002</i>	<i>Year ended 31 December 2001</i>	<i>Year ended 31 December 2000</i>
Average Receivables Outstanding	8,398,317,799	9,127,756,808	8,789,036,883	8,274,226,639	7,466,182,635	7,230,221,277	6,835,091,131
Total Gross charge-offs	374,167,548	584,218,300	478,032,471	419,075,172	413,019,402	275,553,687	303,082,666
Recoveries	61,357,592	121,728,191	119,717,964	94,921,378	83,583,630	67,564,936	64,702,065
Total net charge-offs	312,809,956	462,490,109	358,314,507	324,153,794	329,435,772	207,988,751	238,380,601
Total net charge-offs as a percentage of average receivables outstanding	7.51%	5.07%	4.08%	3.92%	4.41%	2.88%	3.49%

Notes

(1) Average receivables outstanding is the average monthly receivable balance during the periods indicated.

(2) Receivables are total receivables generated from the portfolio, including finance charges and principal.

THE RECEIVABLES

Assignment of Receivables to the Receivables Trustee

Under the terms of a receivables securitisation agreement dated 23 November 1999 and amended and restated on 7 July 2000 – which we will call the “**receivables securitisation agreement**” – Barclaycard as the initial transferor offered on 23 November 1999 – called the “**initial closing date**” – to the receivables trustee an assignment of all receivables that had arisen or would arise in accounts originated under the designated product lines, where such accounts were in existence on or before October 1999 – called the “**pool selection date**”. Under the terms of a deed of assignment of receivables dated 7 July 2000, called the “**Future Receivables Transfer**”, Barclaycard as initial transferor assigned to the receivables trustee all receivables that would arise on all accounts opened on or after 1 August 2000 on certain product lines designated in the Future Receivables Transfer. An account of the initial transferor will be designated as a “**designated account**” if the account has been originated under and continues to conform to the credit card and charge card products described in this prospectus, comes within a product line named in an accepted offer or transfer and has not been identified on the initial transferor’s system as being excluded from such accepted offer or transfer. Only credit and charge card products available to the transferor’s individual account holders may be designated.

Under the terms of the Future Receivables Transfer whenever Barclays creates a new product line, Barclays will be able, if it so chooses, to allocate to that product line one of the codes referred to in the Future Receivables Transfer, being a code which has not previously been allocated to any product line. By allocating, or not allocating, one of those codes to the new product line, Barclays will be able to choose whether or not to nominate the receivables on that product line as being included in the sale to the receivables trustee. If Barclays chooses to make a nomination, it will be able to do so by allocating one of the relevant product line codes to the product line in question. Once one of the relevant product line codes has been attached to a particular product line, all receivables arising thereafter on all accounts opened thereafter on that product line will be included in the sale to the receivables trustee in accordance with the terms of the receivables securitisation agreement. Further, where Barclaycard acquires new portfolios of credit card accounts, it can elect to transfer those portfolios onto one of the product codes referred to in the Future Receivables Transfer, and if those accounts are eligible, to designate those accounts and to include the receivables arising on those accounts in the sale to the receivables trustee.

If for any reason there are receivables from designated accounts that cannot be assigned to the receivables trustee, the transferor will hold those receivables, and any collections on those receivables, on trust for the receivables trustee. These collections will be treated as if the receivables had been properly assigned.

Under the terms of the receivables securitisation agreement, the transferor also has the right to select accounts that conform to the conditions in the first paragraph above and that are not designated and nominate them to be designated accounts by offering the receivables trustee an assignment of all future and existing receivables in these accounts. These accounts are called “**additional accounts**”. An additional account will be treated as a designated account from the date on which its receivables are offered to the receivables trustee, assuming that such offer is accepted. This date is called the “**addition date**”. When additional accounts are nominated the transferor must, amongst other things:

- provide the receivables trustee with a certificate stating that it is solvent;
- confirm, in the document that offers to assign the receivables in the additional accounts to the receivables trustee, that:
 - (1) the offer of the receivables in the additional accounts meets the Maximum Addition Amount criteria; or
 - (2) if the offer does not meet the Maximum Addition Amount criteria, the rating agencies have confirmed that the designation of additional accounts will not result in a reduction or withdrawal of the current rating of any outstanding debt that is secured directly or indirectly by the receivables in the receivables trust, including your notes;
- obtain a legal opinion addressed to the receivables trustee about any receivables from a jurisdiction outside of the United Kingdom;

- in relation to a nomination made in accordance with the terms of the Future Receivables Transfer, obtain a legal opinion addressed to the receivables trustee in respect of the Future Receivables Transfer in a form satisfactory to the receivables trustee.

Any of these preconditions may be waived by the receivables trustee if the rating agencies confirm in writing that the waiver will not result in the reduction or withdrawal of their rating on any related beneficiary debt. At the time that it is nominated, each additional account must also meet the eligibility criteria as at the time of its designation. These criteria are explained in “–*Representations*” below. Additional accounts may have been originated or purchased using underwriting standards that are different from the underwriting standards used by Barclaycard in selecting the original designated accounts. As a result, additional accounts that are selected in future may not have the same credit quality.

“**Maximum Addition Amount**” means, for any addition date, the number of additional accounts originated by the transferor after the pool selection date and nominated as additional accounts without prior rating agency confirmation that would either:

- for any three consecutive monthly periods starting with the monthly period beginning on the first day of the month before the pool selection date, exceed 15 per cent. of the number of designated accounts at the end of the ninth monthly period before the start of such three monthly periods;
- for any twelve-month period, be equal to 20 per cent. of the designated accounts as of the first day of the twelve-month period, or if later, as of the pool selection date.

Notwithstanding what we just said, if the total principal balance of receivables in the additional accounts described in either of the two prior bullet points is more than either:

- (1) 15 per cent. of the total amount of eligible principal receivables determined as of the later of the pool selection date and the first day of the third preceding monthly period, minus the amount of eligible principal receivables in each additional account that was nominated since the later of the initial closing date and the first day of the third preceding monthly period – calculated for each additional account on its addition date; or
- (2) 20 per cent. of the total amount of eligible principal receivables as of the later of the initial closing date and the first day of the calendar year in which the addition date occurs, minus the total amount of eligible principal receivables in each additional account that was nominated since the later of the initial closing date and the first day of the calendar year, calculated for each additional account as of its addition date,

then the Maximum Addition Amount will be the lesser of (1) or (2) above.

Every offer of receivables to the receivables trustee under the receivables securitisation agreement will comprise offers of the following:

- all existing receivables in the designated accounts;
- all future principal receivables under the designated accounts, until the first to occur of (1) the time a designated account becomes a redesignated account, (2) the receivables trust is terminated or (3) an Insolvency Event occurs;
- all future finance charge receivables under those designated accounts that have accrued on receivables that have been assigned to the receivables trustee as described in the two prior bullet points;
- if capable of being assigned, the benefit of any guarantee or insurance policy obtained by the transferor for any obligations owed by a cardholder on a designated account; and
- the benefit of all amounts representing Acquired Interchange for the relevant monthly period.

The transferor will ensure that each redesignated account is identified on the transferor’s computer system on the date that a designated account becomes a redesignated account.

Throughout the term of the receivables trust, the designated accounts from which the receivables will arise will be the designated accounts plus any additional accounts designated by the transferor from time to time, minus any redesignated accounts.

Existing receivables and future receivables arising under the designated accounts are either principal receivables or finance charge receivables. “**Principal receivables**” are receivables that are not finance charge receivables. Principal receivables are amounts owing by cardholders for the purchase of merchandise or services and from cash advances, including foreign exchange

commissions charged for merchandise and services payable, or cash advances denominated in, a currency other than sterling. They are reduced by any credit balance on the designated account on that day.

“**Finance charge receivables**” are amounts owing from cardholders for transaction fees, periodic finance charges, special fees and annual fees – see “– *Special Fees and Annual Fees*” below – and any interchange and Discount Option Receivables.

Under the receivables securitisation agreement, each offer of receivables made by the transferor may be accepted by paying the purchase price for the offered receivables. If the receivables trustee chooses to accept the offer, payment for existing receivables has to be made no later than the business day following the date on which the offer is made. Alternatively, the parties can agree to a longer period of time for payment. Payment for future receivables that become existing receivables must be made no later than two business days after the date of processing for those receivables. Alternatively, the parties can agree to a longer period if the rating agencies consent. Payment is made monthly for the assignment of the benefit of Acquired Interchange to the receivables trustee.

A “**business day**” is a day other than a Saturday, a Sunday or a day on which banking institutions in London, England, (i) are authorised or obliged by law or executive order to be closed and (ii) on which the TARGET System is open.

It was agreed between the transferor and the receivables trustee that, for the purposes of the offer made on the initial closing date:

- (1) the receivables trustee was entitled to use the collections in the designated accounts before the date that the offer was accepted as if the offer had been accepted on the initial closing date;
- (2) the amount paid on the initial closing date for the designated accounts equalled the outstanding face amount of all existing principal receivables, together with an obligation of the receivables trustee to pay for all future receivables generated on the designated accounts that were part of the offer on an ongoing, daily basis when those future receivables are generated.

The payments in (2) are net of any payments made in (1), subject to a minimum of £1.

The amount payable by the receivables trustee to the transferor if it chooses to accept an offer or to make payment for any future receivables will be reduced by the amount of any shortfall in the amount funded by the transferor as a beneficiary, providing that the Transferor Interest is increased accordingly.

Redesignation and Removal of Accounts

Each designated account will continue to be a designated account until such time as the transferor reclassifies it as being no longer a designated account – called a “**redesignated account**”.

A designated account becomes a redesignated account on the date specified by the transferor. No designated account will become a redesignated account this way unless (1) it has become a cancelled account, a defaulted account or a zero balance account or (2) the transferor delivers an officer’s certificate confirming the following conditions are satisfied:

- the redesignation will not cause a Pay Out Event to occur;
- the transferor has represented that its selection procedures for the selection of designated accounts for redesignation are not believed to have any material adverse effect on any investor beneficiary;
- the rating agencies have confirmed that the action will not result in a downgrade in rating of any outstanding debt that is secured directly or indirectly by the receivables in the receivables trust; and
- the transferor and the servicer can certify that collections equal to the outstanding face amount of each principal receivable and the outstanding balance of each finance charge receivable have been received by the receivables trustee on all receivables assigned for that account other than any receivables charged off as uncollectable.

A “**cancelled account**” is a designated account that has had its charging privileges permanently withdrawn. A “**defaulted account**” is a designated account where the receivables have been charged off by the servicer as uncollectable in line with the credit and charge card guidelines or

the usual servicing procedures of the servicer for similar credit and charge card accounts. A “**zero balance account**” is a designated account that has had a nil balance of receivables for a considerable period of time and has been identified by the servicer as a zero balance account under the credit and charge card guidelines or the usual servicing procedures of the servicer.

Redesignated accounts include all accounts that become cancelled accounts, defaulted accounts and zero balance accounts from the date on which they are redesignated in any of these ways. The principal receivables that exist before the date of redesignation will be paid for by the receivables trustee. Any future receivables that come into existence after that time will not be assigned to the receivables trustee as set out in the receivables securitisation agreement. No receivable that has been assigned to the receivables trustee will be reassigned to the transferor except in the limited circumstances described under the heading “– *Representations*”.

Until money has been received for the assigned receivables that have not been charged off, a redesignated account will not be identified as having been removed. The amount identified will be equal to the outstanding face amount of each principal receivable and finance charge receivable. Once these payments have been received or any reassignment has occurred, the account will be identified to indicate that it has become a redesignated account.

Discount Option Receivables

The transferor may, by giving at least thirty days’ prior notice to the servicer, the receivables trustee and the rating agencies, nominate a fixed or variable percentage – called the “**Discount Percentage**” – of principal receivables in the designated accounts. If a Discount Percentage has been nominated previously, an extension to the period for which it applies can be applied for in the same way. From the date and for the length of time stated in the notice:

- the amount payable by the receivables trustee to accept an offer of receivables will be reduced by a percentage amount equal to the Discount Percentage; and
- a percentage of the principal receivables equal to the Discount Percentage will be treated by the receivables trustee as finance charge receivables. These are called “**Discount Option Receivables**”.

The nomination of a Discount Percentage or increase in the time it is in place will be effective only if the rating agencies consent to the proposed nomination or increase and confirm that it will not result in the downgrade or withdrawal of the current rating of any debt that is secured directly or indirectly by the receivables in the receivables trust, including your notes. The transferor must also provide the receivables trustee with a certificate confirming:

- that the performance of the portfolio of designated accounts, in their reasonable opinion, is not generating adequate cash flows for the beneficiaries of the receivables trust and the size of the Discount Percentage is not intended solely to accelerate distributions to the excess interest beneficiary; and
- that the transferor is solvent and will remain so following the nomination or increase.

The transferor may have different reasons to designate a Discount Percentage. The finance charge collections on the designated accounts may decline for various reasons or may stay constant. The notes have interest rates that are variable and that could increase. Any of these variables could cause a Series 06-1 Pay Out Event to occur based in part on the amount of finance charge collections and the interest rate on the notes. The transferor could avoid the occurrence of this Series 06-1 Pay Out Event by designating a Discount Percentage, causing an increase in the amount of finance charge collections. The transferor, however, is under no obligation to designate a Discount Percentage and we cannot assure you that the transferor would designate a Discount Percentage to avoid a Series 06-1 Pay Out Event.

Special Fees and Annual Fees

The transferor charges special fees – currently late and over limit fees – on its credit or charge card accounts. These special fees as well as additional special fees may be assessed at one time or on an ongoing basis. Certain of the receivables assigned or to be assigned to the receivables trustee include annual fees on a small number of the designated accounts. Any special fees and annual fees that are charged on designated accounts are regarded as finance charge receivables and collections of these special fees are treated as finance charge collections. The transferor may, however, decide that these special fees or annual fees will be viewed as principal receivables and

collections on them will be allocated accordingly. This can be done only if the transferor certifies that it has an opinion from legal counsel that the special fees or annual fees amount to repayment, for United Kingdom tax purposes, in whole or in part of an advance to a cardholder.

Interchange

Members participating in the VISA and MasterCard associations receive fees called “**interchange**” as partial compensation, for amongst other things, taking credit risk and absorbing fraud losses. Under the VISA and MasterCard systems, interchange is passed from the banks that clear the transactions for merchants to card issuing banks. Interchange fees are calculated as a percentage of the amount of a credit or charge card transaction for the purchase of goods or services. This percentage varies from time to time.

On each transfer date the transferor will deposit into the Trustee Collection Account an amount equal to the interchange received for the preceding monthly period. This amount is called the “**Acquired Interchange**”. Interchange is received by Barclaycard on a daily basis and is posted to the general ledger with a flag identifying the product to which it relates. The amount of Acquired Interchange applicable to the receivables in the trust is arrived at monthly by interrogation of the general ledger. All interchange relating to products included in the trust is extracted and posted to the Trustee Collection Account.

Reductions in Receivables, Early Collections and Credit Adjustments

If a principal receivable that has been assigned to the receivables trustee is reduced – for reasons other than because of Section 75 of the Consumer Credit Act or a credit adjustment – after the offer date because of set-off, counterclaim or any other matter between the cardholder and the transferor, and the transferor has received a benefit, then the transferor will pay an amount equal to that reduction to the receivables trustee. Similarly, if an existing receivable has already been assigned and the transferor has received full or partial payment of that receivable before the date that the receivable was purportedly assigned, then the transferor will pay the amount of that collection to the receivables trustee.

If any principal receivable assigned to the receivables trustee is reduced for credit adjustment reasons after the offer date, then the transferor will pay that amount to the receivables trustee. A credit adjustment is the outstanding face amount of a principal receivable that:

- was created by virtue of a sale of merchandise that was subsequently refused or returned by a cardholder or against which the cardholder has asserted any defence, dispute, set-off or counterclaim;
- is reduced because the cardholder had received a rebate, refund, charge-back or adjustment; or
- is fraudulent or counterfeit.

Alternatively, instead of paying these amounts to the receivables trustee, the transferor can reduce the Transferor Interest by the amount of the credit adjustment, but not below zero.

Representations

Each offer of receivables to the receivables trustee under the receivables securitisation agreement and the Future Receivables Transfer includes representations by the transferor about the offer or transfer of the existing receivables and the future receivables. The representations for the existing receivables were or will be given as of the pool selection date or an addition date, as applicable, and the representations for the future receivables are given on the date they are processed, and include, in each case, that:

- unless identified as an ineligible receivable, the receivable is an eligible receivable and has arisen from an eligible account in the amount specified in the offer or daily activity report, as applicable;
- each assignment passes good and marketable title for that receivable to the receivables trustee, together with the benefit of all collections and other rights in connection with it, free from encumbrances of any person claiming on it through the transferor to the receivables and, unless such receivable does not comply with the Consumer Credit Act, nothing further needs to be done to enforce these rights in the courts of England and Wales, Scotland or Northern Ireland, or any permitted additional jurisdiction, without the participation of the

transferor, except for payment of any United Kingdom stamp duty and giving a notice of assignment to the cardholders and subject to any limitations arising on enforcement in the jurisdiction of the relevant cardholder; and

- the assignment complies with all applicable laws on the date of assignment.

If a representation relating to the eligibility criteria given in connection with any principal receivable proves to be incorrect when made, then the transferor is obliged to pay the receivables trustee an amount equal to the face value of that receivable on the following business day. A receivable of this type will afterwards be treated as an ineligible receivable.

The transferor's obligation to pay amounts due as a result of any breach of a representation can be fulfilled, in whole or in part, by a reduction in the amount of the Transferor Interest. The Transferor Interest, however, may not be reduced below zero. If the transferor meets a payment obligation in this way, the receivables trustee will have no further claim against the transferor for the breached representation. However, a breach of a representation may result in a Series 06-1 Pay Out Event.

If:

- all principal receivables arising under a designated account become ineligible as a result of incorrect representations;
- that account has become a redesignated account; and
- the transferor has complied with the payment obligations for the principal receivables;

then the transferor can require the receivables trustee to reassign all those receivables to the transferor.

The receivables trustee has not made and will not make any initial or periodic examination of the receivables to determine if they are eligible receivables or if the transferor's representations and warranties are true.

The term "eligible account" means, as of the pool selection date, an addition date or date on which the account is opened, as applicable, a credit or charge card account:

- where the cardholder is not a company or partnership for the purposes of Section 349(2) of the Income and Corporation Taxes Act 1988;
- which, except in the case of a future designated account as defined in any offer or a relevant account as defined in the Future Receivables Transfer, was in existence and maintained with the transferor before it became a designated account;
- which is payable in pounds sterling or the currency of the permitted additional jurisdiction where the account is in a permitted additional jurisdiction, as applicable;
- which is governed by one of the transferor's standard form card agreements or, if it was acquired by the transferor, it is originated on contractual terms not materially different from that standard form;
- which is governed in whole or in part by the Consumer Credit Act and creates legal, valid and binding obligations between the transferor and the cardholder which, except in the case of an account on which restricted eligible receivables arise, is enforceable against the cardholder in accordance with the relevant card agreement and the Consumer Credit Act, subject to bankruptcy laws, general principles of equity and limitations on enforcement in any cardholder jurisdiction and was otherwise created and complies with all other applicable laws;
- where the cardholder's most recent billing address is located in England, Wales, Scotland, Northern Ireland, or a permitted additional jurisdiction or a restricted additional jurisdiction;
- which has not been classified by the transferor as counterfeit, cancelled, fraudulent, stolen or lost;
- which has been originated or purchased by the transferor;
- which has been operated in all material respects in accordance with the transferor's policies and procedures and usual practices for the operation of its credit and charge card business; and
- the receivables in respect of which have not been charged off by the transferor on the date the account is specified as a designated account.

If all these conditions have not been satisfied, then an account may still be an eligible account if each rating agency gives their approval.

A “**restricted eligible receivable**” is a receivable arising on an eligible account, the terms of which fail to comply with the Consumer Credit Act, such that a court would have no discretion to grant a court order.

A “**defaulted receivable**” is any receivable in a defaulted account.

A “**permitted additional jurisdiction**” is a jurisdiction – other than England, Wales, Scotland and Northern Ireland – agreed by the transferor and the receivables trustee, and which each rating agency has confirmed in writing that its inclusion as a permitted additional jurisdiction will not result in its withdrawing or reducing its rating on any related beneficiary debt.

A “**restricted additional jurisdiction**” is a jurisdiction – other than England, Wales, Scotland and Northern Ireland or a permitted additional jurisdiction – which together with each other account with a billing address in that jurisdiction and any other jurisdiction other than England, Wales, Scotland, Northern Ireland or a permitted additional jurisdiction represent less than 5 per cent. by outstanding receivables balance.

A “**notice of assignment**” means a notice given to a cardholder of the assignment of the receivables – and the benefit of any guarantees – to the receivables trustee.

An “**eligible receivable**” means a receivable that:

- has arisen under an eligible account;
- was originated under one of the transferor’s standard form credit or charge card agreements and is governed, in whole or in part, by the Consumer Credit Act, or else, if the related account was acquired by the transferor, contractual terms that are materially the same as the standard form credit or charge card agreements and are governed, in whole or in part, by the Consumer Credit Act;
- was otherwise created in compliance with all other applicable laws;
- was originated in accordance with the transferor’s policies and procedures and usual practices for its credit and charge card business;
- is not a defaulted receivable as at the offer date or addition date, as applicable;
- is free of any encumbrances exercisable against the transferor arising under or through the transferor or any of its affiliates;
- to which the transferor has good and marketable title;
- is the legal obligation of the cardholder, enforceable – except in the case of restricted eligible receivables – in accordance with the terms of the credit or charge card agreement, subject to bankruptcy, general principles of equity and limitations on enforcement in any cardholder jurisdiction; and
- is not currently subject to any defence, dispute, event, set-off, counterclaim or enforcement order.

As is market practice in the United Kingdom for credit and charge card securitisation transactions, principal receivables that are delinquent will still constitute eligible receivables if they comply with the eligibility requirements. See the table captioned “*Delinquency Experience – Securitised Portfolio*” in “*Barclaycard and the Barclaycard Card Portfolio – Delinquency and Loss Experience*” above for data showing the percentage of delinquent receivables.

“**Ineligible receivables**” means principal receivables which arise under a designated account but which do not comply with all the criteria set out in the definition of eligible receivables as at the pool selection date or an addition date, as applicable.

Amendments to Card Agreements and Card Guidelines

The transferor may amend the terms and conditions of its standard form card agreements or change its policies and procedures and usual practices for its general card business. These amendments may include reducing or increasing the amount of monthly minimum required payments required or may involve changes to periodic finance charges or other charges that would apply to the designated accounts. See “*Risk Factors: A Change in the Terms of the Receivables May Adversely Affect the Amount or Timing of Collections and May Cause an Early Redemption of Your Notes or a Downgrade of Your Notes*”.

Summary of Securitised Portfolio

The tables that follow summarise the securitised portfolio by various criteria as of the billing dates of accounts in the month ended on 30 June 2006. Because the future composition of the securitised portfolio may change over time, these tables are not necessarily indicative of the composition of the securitised portfolio at any time after 30 June 2006.

Composition by Account Balance Securitised Portfolio

<i>Balance Banding</i>	<i>Total Number of Accounts</i>	<i>Percentage of Total Number of Accounts</i>	<i>Receivables</i>	<i>Percentage of Total Receivables</i>
Credit Balance	487,829	5.0%	(£19,074,135)	(0.2%)
Nil Balance	3,912,742	40.4%	£0	0.0%
£0.01 to £5,000.00	4,901,101	50.6%	£5,280,080,338	64.4%
£5,000.01 to £10,000.00	352,923	3.6%	£2,429,268,689	29.6%
£10,000.01 to £15,000.00	35,522	0.4%	£405,192,476	4.9%
£15,000.01 to £20,000.00	3,779	0.0%	£64,018,350	0.8%
£20,000.01 to £25,000.00	1,100	0.0%	£24,461,462	0.3%
£25,000.01 and over	505	0.0%	£16,875,854	0.2%
Grand Total	9,695,501	100.0%	£8,200,823,034	100.0%

Composition by Credit Limit Securitised Portfolio

<i>Credit Limit</i>	<i>Total Number of Accounts</i>	<i>Percentage of Total Number of Accounts</i>	<i>Receivables</i>	<i>Percentage of Total Receivables</i>
Up to £500.00	1,076,919	11.1%	£163,845,843	2.0%
£500.01 to £1,000.00	934,016	9.6%	£238,956,787	2.9%
£1,000.01 to £1,500.00	778,017	8.0%	£255,641,400	3.1%
£1,500.01 to £2,000.00	593,115	6.1%	£298,829,101	3.6%
£2,000.01 to £2,500.00	634,209	6.6%	£303,932,119	3.7%
£2,500.01 to £3,000.00	754,613	7.8%	£361,609,646	4.4%
£3,000.01 to £3,500.00	1,050,104	10.8%	£631,188,335	7.7%
£3,500.01 to £4,000.00	626,089	6.5%	£422,830,224	5.2%
£4,000.01 to £4,500.00	437,437	4.5%	£366,570,947	4.5%
£4,500.01 to £5,000.00	460,905	4.8%	£430,150,578	5.2%
£5,000.01 to £10,000.00	2,003,909	20.7%	£3,531,643,579	43.1%
£10,000.01 to £15,000.00	288,750	3.0%	£974,494,700	11.9%
£15,000.01 to £20,000.00	42,166	0.4%	£139,226,899	1.7%
£20,000.01 to £25,000.00	11,337	0.1%	£56,368,633	0.7%
£25,000.01 and over	3,915	0.0%	£25,534,243	0.3%
Grand Total	9,695,501	100.0%	£8,200,823,034	100.0%

Composition by Account Age Securitised Portfolio

<i>Account Age</i>	<i>Total Number of Accounts</i>	<i>Percentage of Total Number of Accounts</i>	<i>Receivables</i>	<i>Percentage of Total Receivables</i>
0 to 3 Months	107,457	1.1%	£87,982,372	1.1%
3 to 6 months	131,029	1.4%	£137,142,574	1.7%
6 to 9 months	113,280	1.2%	£84,758,158	1.0%
9 to 12 months	110,232	1.1%	£76,158,820	0.9%
12 to 15 months	122,821	1.3%	£87,866,127	1.1%
15 to 18 months	139,181	1.4%	£94,509,356	1.2%
18 to 21 months	171,210	1.8%	£95,728,673	1.2%
21 to 24 months	376,893	3.9%	£233,143,039	2.8%
2 to 3 years	870,871	9.0%	£647,879,846	7.9%
3 to 4 years	809,186	8.3%	£624,328,762	7.6%
4 to 5 years	648,264	6.7%	£518,709,121	6.3%
5 to 10 years	1,941,013	20.0%	£1,810,788,792	22.1%
Over 10 years	4,154,064	42.8%	£3,701,827,394	45.1%
Grand Total	9,695,501	100.0%	£8,200,823,034	100.0%

Geographic Distribution of Accounts Securitised Portfolio

<i>Region</i>	<i>Total Number Of Accounts</i>	<i>Percentage Of Total Number Of Accounts</i>	<i>Receivables</i>	<i>Percentage Of Total Receivables</i>
East	1,101,323	11.4%	£934,682,625	11.4%
East Midlands	577,377	6.0%	£485,584,324	5.9%
London	1,721,957	17.8%	£1,585,544,810	19.3%
North East	518,600	5.3%	£417,012,979	5.1%
North West	865,053	8.9%	£716,312,595	8.7%
Northern Ireland	125,517	1.3%	£97,653,581	1.2%
Rest of UK	38,041	0.4%	£35,668,313	0.4%
Scotland	363,781	3.8%	£322,568,191	3.9%
South East	1,531,105	15.8%	£1,357,610,895	16.9%
South West	783,972	8.1%	£646,361,237	8.1%
Wales	434,473	4.5%	£332,618,468	4.1%
West Midlands	775,509	8.0%	£630,766,555	7.8%
Yorks & Humb	592,920	6.1%	£491,353,681	6.2%
Unknown Postcode	44,666	0.3%	£30,680,021	0.4%
Non-UK	221,207	2.3%	£116,404,759	1.3%
Grand Total	9,695,501	100.0%	£8,200,823,034	100.0%

Maturity Assumptions

The following table presents the highest and lowest cardholder monthly payment rates for the bank portfolio during any month in the period shown and the average cardholder monthly payment rates for all months during the periods shown. These are calculated as a percentage of total opening receivables balances during the periods shown. The payment rates are based on amounts which would be deemed payments of principal collections and finance charge collections for the related accounts.

Cardholder Monthly Payment Rates Securitized Portfolio

	<i>6 Months ended</i>		<i>Year Ended 31 December</i>			
	<i>30 June</i>		<i>2004</i>	<i>2003</i>	<i>2002</i>	<i>2001</i>
	<i>2006</i>	<i>2005</i>				
Lowest Month	16.53%	18.58%	20.10%	20.68%	19.61%	20.83%
Highest Month	21.67%	22.33%	25.50%	24.84%	26.26%	26.34%
Monthly Average	19.85%	20.40%	21.86%	22.79%	22.97%	23.42%

Collections may vary from month to month due to:

- seasonal variations;
- promotional offerings – such as payment holidays;
- general economic conditions; and
- payment habits of individual cardholders.

There is no guarantee that the future monthly payment rates for the securitized portfolio will be similar to the historical experience set forth in the table above or that there will be enough principal collections to meet the Controlled Deposit Amount or Partial Amortisation Amount, as applicable, each month to fully redeem your notes by the series 06-1 scheduled redemption date (or if applicable, partially redeem your notes during any Partial Amortisation Period). If a Pay Out Event occurs, the average life and maturity of your notes could be significantly reduced, since you may start receiving principal distributions before the series 06-1 scheduled redemption date.

Because there may be a slowdown in the payment rate below the payment rates used to determine the Controlled Deposit Amount or a Pay Out Event may occur which would start the Rapid Amortisation Period or the Regulated Amortisation Period, there is no guarantee that the actual number of months elapsed from the closing date to the final Distribution Date for your notes will equal the expected number of months. See *“Risk Factors: Principal on your Notes May Be Paid Earlier Than Expected – Creating a Reinvestment Risk to You – or Later than Expected”*.

Receivables Yield Considerations

The gross revenues from finance charges and fees billed to accounts in the portfolio of credit and charge card accounts for each of the six months ended June 2006, the calendar years ended 31 December 2005, 31 December 2004, 31 December 2003, 31 December 2002, 31 December 2001 and 31 December 2000 are presented in the following table.

Prior to the creation of the receivables trust, Barclaycard recorded yield information on an accruals basis, which includes earned but not necessarily paid finance charges and fees. A system change to allocate cash in priority against finance charges ahead of principal was made in October 1999. This resulted in increased yield in 2000. Cash yields from 2000 onwards include principal and interest recovered on charged-off accounts, which typically results in higher cash yields than accrual yields. The yield on both an accrual and a cash basis will be affected by many factors, including the monthly periodic finance charges on the receivables, the amount of the annual fees and other fees, changes in the delinquency rate on the receivables and the percentage of cardholders who pay their balances in full each month and do not incur monthly periodic finance charges. For example, the transferor could change the monthly interest rate applied to the accounts or reduce or eliminate fees on the accounts. See *“Risk Factor: A Change in the Terms of the Receivables May Adversely Affect the Amount or Timing of Collections and May Cause an Early Redemption or a Downgrade of Your Notes”*.

The following table sets forth the revenue for the securitised portfolio of card accounts. The revenue is comprised of monthly periodic finance charges, card fees, special fees, annual fees and interchange. These revenues vary for each account based on the type and volume of activity for each account. See “*Barclaycard and the Barclaycard Card Portfolio*”.

Cardholder Monthly Accrued Yields Bank Portfolio¹

	<i>6 months ended 30 June 2006</i>	<i>Year Ended 31 December 2005</i>	<i>Year Ended 31 December 2004</i>	<i>Year Ended 31 December 2003</i>	<i>Year Ended 31 December 2002</i>	<i>Year Ended 31 December 2001</i>	<i>Year Ended 31 December 2000</i>
Finance charges and fees ^{2, 3}	£ 744,039,098	£1,468,595,166	£1,356,642,484	£1,314,105,516	£1,243,628,614	£1,247,138,637	£1,413,692,116
Average receivables outstanding ⁴	£8,398,317,799	£9,127,756,808	£8,789,036,883	£8,274,226,639	£7,466,182,635	£7,230,221,277	£6,835,091,131
Yield from finance charges and fees ⁵	17.87%	16.09%	15.44%	15.88%	16.66%	17.25%	20.68%
Interchange	£ 70,773,381	£ 155,416,714	£ 176,211,134	£ 191,405,583	£ 187,437,923	£ 186,525,567	£ 183,408,157
Yield from interchange ⁶	1.70%	1.70%	2.00%	2.31%	2.51%	2.58%	2.68%
Yield from finance charges, fees and interchange	19.56%	17.79%	17.44%	18.20%	19.17%	19.83%	23.37%

Revenues vary for each account based on type and volume of activity for each account. See “*Barclaycard and the Barclaycard Portfolio*”.

¹ All percentage data are presented on an annualised basis.

² Finance charges and fees are comprised of monthly periodic finance charges, annual fees and other card fees.

³ Accrued finance charges and fees are presented net of adjustments made pursuant to Barclaycard’s normal servicing procedures.

⁴ Average receivables outstanding is the average monthly receivable balance during the periods indicated.

⁵ Yield from finance charges and fees is the result of dividing the annualised accrued finance charges and fees by the average receivables outstanding for the period.

⁶ Yield from interchange is the result of dividing annualised revenue attributable to interchange received during the period by the average receivables outstanding for the period.

The Receivables Trust

General Legal Structure

The receivables trust was constituted on 1 November 1999 and is a trust formed under English law by the receivables trustee as trustee and Barclays as trust cash manager, initial transferor, transferor beneficiary and excess interest beneficiary. The receivables trust was declared for the financings described in this prospectus. The terms and conditions of the receivables trust are contained in the declaration of trust dated 1 November 1999 as amended and restated by the declaration of trust and trust cash management agreement dated 23 November 1999, and supplemented by the series supplements to the declaration of trust and trust cash management agreement, which are governed by English law. This section will describe to you the material terms of the receivables trust and declaration of trust and trust cash management agreement. The terms of the declaration of trust and trust cash management agreement may be varied or added to by executing a supplement – but only for the series of investor certificates issued under the supplement. A precondition to the receivables trustee entering into a supplement is obtaining confirmation from the rating agencies that entering into the supplement will not result in any rating agency withdrawing or downgrading its rating of any debt that is ultimately secured by the receivables in the receivables trust. Under the declaration of trust and trust cash management agreement, the receivables trustee holds all of the receivables trust's property on trust for:

- the initial transferor beneficiary and the excess interest beneficiary as the initial beneficiaries of the trust; and
- for any other person who may become an additional transferor beneficiary or additional beneficiary of the trust as allowed by the declaration of trust and trust cash management agreement.

Other than the excess interest beneficiary and a transferor beneficiary, the two categories of beneficiary are:

- an investor beneficiary, which may include any investor beneficiary subordinate to another investor beneficiary as a provider of credit enhancement; or
- an enhancement provider for a series of investor certificates, if provided for in the supplement for that series.

The excess interest beneficiary and the initial transferor beneficiary are the initial beneficiaries of the receivables trust. Any subsidiary of the initial transferor that, with the prior written consent of all existing beneficiaries of the receivables trust, accedes to the receivables securitisation agreement as an additional transferor will upon its accession become an additional transferor beneficiary of the receivables trust.

By making payments to the receivables trustee as a contribution to the receivables trust's property, as set out in the declaration of trust and trust cash management agreement, other persons can form a series of the receivables trust. These persons are called additional beneficiaries. When payment is made, the additional beneficiaries will be given a certificate evidencing a beneficial interest in the receivables trust to show that they are an investor. This process is called an acquisition and the certificate is called an investor certificate. When an acquisition takes place a notice will be given that will list the parties to the acquisition and anyone who is providing credit enhancement for the series of investor certificates, called an enhancement provider. A new supplement to the declaration of trust and trust cash management agreement will govern each new series of the receivables trust that is created.

Two types of acquisition may be made:

- the transferor beneficiary may direct the receivables trustee, in exchange for tendering the certificate it holds showing its entitlement to the receivables trust's property – called the “**transferor certificate**” – to issue a new series of investor certificates and to reissue the transferor certificate evidencing the transferor's beneficial entitlement to the receivables trust's property. This is known as a “**transferor acquisition**”. Series 06-1 will be the twelfth series of investor certificates issued by the receivables trust and will be created by a transferor acquisition occurring on the closing date. The first series investor certificate (for series 99-1) is no longer in existence as series 99-1 was fully paid out in November 2002. The fourth series investor certificate (for series 03-2) is no longer in existence as series 03-2 was fully paid out in June 2006. The fifth series investor certificate (for series 03-3) is no longer in existence as series 03-3 was fully paid out in August 2006.

- the second type of acquisition which may be made is an investor acquisition where, if the supplement permits, an investor beneficiary together with the transferor beneficiary may direct the receivables trustee, in exchange for tendering their investor certificates and the transferor certificate to issue one or more new investor certificates and a reissued transferor certificate. The supplement for series 06-1 does not provide for an investor acquisition.

The receivables trustee will authenticate and deliver a series of investor certificates only when it has first received:

- a supplement signed by the parties to the new series, including the receivables trustee and the transferor beneficiary, specifying the principal terms of the series;
- the credit enhancement, if any, and any agreement by which an enhancement provider agrees to provide credit enhancement – series 06-1 has the Spread Account as credit enhancement and will not have an enhancement provider or an enhancement agreement;
- a solvency certificate from the transferor and any additional transferors;
- written confirmation from the rating agencies that the proposed acquisition will not result in the reduction or withdrawal of their ratings on any notes issued by the issuer or any other issuer of any series of notes that is ultimately secured by the receivables in the receivables trust – called “**related beneficiary debt**”;
- written confirmation from each additional beneficiary and enhancement provider, if any, that:
 - (1) its usual place of abode is in the United Kingdom and it will be within the charge to United Kingdom corporation tax for all amounts regarded as interest for UK tax purposes received by it under the transactions contemplated by the series of investor certificates; or
 - (2) it is a bank, as defined for purposes of Section 349(3)(a) of the Income and Corporation Taxes Act 1988, and it will be within the charge to United Kingdom corporation tax for all amounts regarded as interest for UK tax purposes received by it under the series of investor certificates;
- the existing transferor certificate and, if it is an investor acquisition, the applicable investor certificates;
- an officer’s certificate provided by the transferor certifying either:
 - (1) that:
 - each class of related beneficiary debt issued as part of the acquisition and described in the related supplement will be rated in one of the three highest rating categories by at least one rating agency recognised in the United Kingdom;
 - each investor beneficiary – other than any enhancement provider – will have associated with it, either directly or indirectly, a class of related beneficiary debt; and
 - the enhancement for each series will be provided by any combination of subordination, a letter of credit, a cash collateral loan, a surety bond, an insurance policy, or a spread or reserve account funded from excess finance charge collections ultimately reverting to the excess interest beneficiary or transferor to the extent not utilised as enhancement, but through no other means; or
 - (2) it has determined that, based on legal advice, the acquisition is in the best interests of the transferor beneficiary and its affiliates.

Each supplement to the declaration of trust and trust cash management agreement will specify the principal terms for its series of investor certificates, including the accumulation period or amortisation period for the payment of principal. For each series these may be of different lengths and begin on different dates. Enhancement is specific to each series and will be held and used by the receivables trustee only for the benefit of the relevant series. Certain series may be subordinated to other series, and classes within a series may have different priorities. Whether or not a series or class is subordinated will be set out in the related supplement. Series 06-1 will not be subordinate to any other series. There will be no limit on the number of acquisitions that may be performed.

The receivables trustee will not be able to arrange for additional supplements without obtaining the consent of all the beneficiaries constituting each existing series. Even if the receivables trustee

receives all these consents, no acquisition will be effective unless the rating agencies confirm that the additional supplement will not result in the reduction or withdrawal of their rating of any related beneficiary debt.

The Receivables Trust's Property

The property of the receivables trust will include all present and future receivables located on the Triumph accounting system or any other accounting system used by the transferor from time to time, arising under all MasterCard and VISA credit and charge card accounts of Barclaycard's individual cardholders on designated product lines that have not been identified as non-designated accounts and that are denominated in pounds sterling with a billing address within England, Wales, Scotland, Northern Ireland or a permitted additional jurisdiction or a restricted additional jurisdiction. We refer to these accounts as the "**designated accounts**". See "*The Receivables: Representations*". The receivables have been and will continue to be assigned to the receivables trustee under the receivables securitisation agreement between Barclaycard as transferor and the receivables trustee. The receivables securitisation agreement is governed by English law. Occasionally some accounts may be removed from the pool of designated accounts. These accounts we refer to in this prospectus as the "**redesignated accounts**".

The transferor is required to ensure that any of Barclaycard's credit and charge card accounts that are to be excluded from or otherwise outside the scope of the offer or transfer to the receivables trustee under the receivables securitisation agreement or that are to be removed from the pool of designated accounts are identified on its computer system prior to the date of offer or the date of transfer.

The property of the receivables trust will also include:

- all monies due in payment of the receivables under designated accounts from time to time;
- all proceeds of the receivables and proceeds of any guarantees and insurance policies for the receivables – to the extent that they are capable of assignment – including proceeds of disposals by the receivables trustee of charged-off receivables to Barclaycard;
- the benefit of any Acquired Interchange; see "*The Receivables: Interchange*";
- all monies on deposit in the Trust Accounts;
- any credit enhancement for the benefit of any series or class of beneficiary; and
- all monies provided by beneficiaries of the receivables trust to fund the purchase of receivables, until these monies are applied as intended.

The receivables are divided into eligible receivables and ineligible receivables. Each investor beneficiary, the excess interest beneficiary and the transferor beneficiary are beneficially entitled to interests in the pool of eligible receivables.

The transferor beneficiary is beneficially entitled to the entire pool of ineligible receivables and is solely entitled to all collections of ineligible receivables.

The total principal amount of the interest of the investor beneficiary in a series is called the "**investor interest**" of that series and reflects that series' entitlement to principal receivables. The investor beneficiaries' aggregate entitlement under the receivables trust is called the "**aggregate investor interest**" and comprises the aggregate of each entitlement under each series supplement.

The total amount of the interest of the transferor beneficiary in the receivables trust is called the "**Transferor Interest**" and reflects the transferor beneficiary's entitlement to principal receivables not allocated to each outstanding series.

General Entitlement of Beneficiaries to Trust Property

The transferor beneficiary and each investor beneficiary will acquire undivided interests in the receivables trust by making payments in favour of the receivables trustee. Some of the receivables trust's property that will constitute credit enhancement may be specified as being the beneficial entitlement of particular beneficiaries or particular series only. The beneficiaries of the receivables trust are each beneficially entitled to share in the receivables trust's property and each beneficiary, other than an enhancement provider, has or will acquire interests in the pool of eligible receivables – called the "**Eligible Receivables Pool**". See "*Series 06-1*" for a description of the beneficial entitlement of the issuer to receivables and for a description of the manner in which collections will be allocated to the issuer.

Under the receivables trust as originally created, the beneficial entitlement of Barclaycard as the excess interest beneficiary to the property of the receivables trust at any time was called the “**Excess Interest**”. The Excess Interest consisted of a beneficial entitlement to the residue of the finance charge collections and Acquired Interchange for each monthly period after amounts have been allocated to each beneficiary forming part of that series or group of series, if applicable, and have been used to make payments to the enhancement provider, if it is not a beneficiary. These payments will include amounts deemed to represent finance charge collections as stated in the supplement for the series.

Because Barclaycard will transfer its entitlement to the portion of the excess interest attributable to series 06-1 to the MTN Issuer, the portion of the excess interest attributable to series 06-1 will be paid to the MTN Issuer.

To understand the beneficial entitlement of the transferor beneficiary and each additional transferor beneficiary you have to understand the definition of “**Transferor Percentage**”. The Transferor Percentage is the percentage equal to 100 per cent. less the sum of the applicable Investor Percentages of each outstanding series.

The aggregate beneficial entitlement of the transferor beneficiary at any time consists of the following:

- the Transferor Percentage of eligible principal receivables; the Transferor Percentage is calculated for this purpose using the Floating Investor Percentage for the Investor Percentage of each series;
- the Transferor Percentage of finance charge receivables; the Transferor Percentage is calculated for this purpose using the Floating Investor Percentage as the Investor Percentage for each series;
- all ineligible receivables; and
- all monies held in the Trust Accounts that represent investment earnings on permitted investments made using monies deposited in those Trust Accounts, unless something else is provided for in the supplement; the supplement for series 06-1 does not provide for something else.

“**Permitted investments**” means the following:

- demand or time deposits, certificates of deposit and other short-term unsecured debt obligations at or of any institution that has unsecured and unguaranteed debt obligations of A-1+ and P-1 by Standard & Poor’s and Moody’s; and
- short-term unsecured debt obligations – including commercial paper – issued or guaranteed by any body corporate whose unsecured and unguaranteed debt obligations are A-1+ and P-1 by Standard & Poor’s and Moody’s.

The aggregate beneficial entitlement of the transferor beneficiary to any other trust property at any time is equal to the proportion that the Transferor Interest bears to the amount of eligible principal receivables at that time. The initial transferor beneficiary’s and each additional transferor beneficiary’s entitlement to the aggregate beneficial entitlement of the transferor beneficiary is equal to its proportionate share described in the transferor certificate.

Allocation and Application of Collections

The following accounts have been opened by the receivables trustee at 1234 Pavillion Drive, Northampton, NN4 7SG, England:

- a collection account called the “**Trustee Collection Account**”, which is where principal collections and finance charge collections are credited; and
- the acquisition account called the “**Trustee Acquisition Account**”, which is where amounts are credited that can be used to purchase beneficial interests in receivables for the investor or transferor beneficiaries.

The Trustee Acquisition Account, the Trustee Collection Account and any additional bank accounts of the receivables trust that the receivables trustee may open for particular beneficiaries are collectively called “**Trust Accounts**”. The receivables trustee will have legal title to the funds on deposit in each Trust Account.

Collections from cardholders for designated accounts and cardholders for other card accounts of Barclaycard are initially paid to Barclaycard's bank accounts before being cleared on a same-day basis to a bank account called the "**Barclaycard Operating Account**". The Barclaycard Operating Account is currently held by Barclaycard at its branch located at 1234 Pavillion Drive, Northampton NN4 7SG, England. The transferor has declared a trust over the Barclaycard Operating Account.

All money in the Barclaycard Operating Account will be held on trust for the receivables trustee and transferred to the Trustee Collection Account within two business days after processing. All money in the Trustee Collection Account will be treated as collections from receivables of designated accounts unless it has been incorrectly paid into the account. Incorrect payments will be deducted from the appropriate collections on the business day on which the error is notified to the receivables trustee.

Amounts incorrectly categorised as principal collections of eligible receivables but which are really collections of ineligible receivables will be given back to the transferor beneficiary, after making adjustments for errors but before allocating amounts of principal collections that are property of the receivables trust. The receivables trustee will treat all money deposited in the Trustee Collection Account as property of the receivables trust unless notified otherwise by the trust cash manager.

The Eligible Receivables Pool and the Transferor Interest are increased or decreased, as applicable, to account for the errors made.

Eligible principal receivables in defaulted accounts are allocated between the transferor beneficiary and each series of investor certificates in accordance with their respective beneficial entitlements to the property of the receivables trust at the time the account becomes a defaulted account. Credit adjustments for principal receivables are allocated to the transferor beneficiary as a reduction of the Transferor Interest until the Transferor Interest reaches zero. Ineligible principal receivables in defaulted accounts reduce the transferor's interest in ineligible receivables – called the "**Transferor Ineligible Interest**" – until it reaches zero.

Collections that are property of the receivables trust are categorised as:

- principal collections;
- finance charge collections; or
- ineligible collections.

If a Discount Percentage is nominated by the transferor, the Discount Percentage of principal collections will be treated as finance charge collections. The transferor has no current intention to nominate a Discount Percentage. See "*The Receivables: Discount Option Receivables*".

If the related supplement says so, each series will also be entitled to a portion of Acquired Interchange. Series 06-1 will be allocated a portion of Acquired Interchange as described in "*Series 06-1*". To the extent that any Acquired Interchange is not allocated to all those series, it will be allocated to the transferor beneficiary.

Each series will be entitled to receive varying percentages of principal collections, finance charge collections and receivables in defaulted accounts. Each of these percentages is called an "**Investor Percentage**". The transferor beneficiary will be entitled to its applicable Transferor Percentage of principal collections and finance charge collections and receivables in defaulted accounts. The excess interest beneficiary is entitled to finance charge collections allocated to a series that are not allocated to:

- any other beneficiary, whether or not a member of that series; or
- any enhancement provider, as set out in the supplement relating to that series.

Each supplement will set out, for its series, the entitlement of each investor beneficiary to principal collections, finance charge collections and Acquired Interchange.

The transferor may fulfil any obligation to make payments to the receivables trustee for principal receivables for which it has breached a warranty by:

- reducing the Transferor Interest – but not below zero; and
- increasing the Transferor Ineligible Interest.

However, if the Transferor Interest would be reduced below zero, the transferor must make a similar payment in immediately available funds to the receivables trustee under the declaration of trust and trust cash management agreement and the receivables securitisation agreement.

The receivables trustee will pay the trust cash management fee (which is inclusive of VAT) to the trust cash manager from payments made by the beneficiaries and this amount will be deducted from the transferor beneficiary's and each series' portion of the finance charge collections.

The receivables trustee will transfer money daily from the Trustee Collection Account in the following priority:

- (1) the amount of any incorrect payments notified to the receivables trustee not previously allocated as collections, to the Barclaycard Operating Account, after which the transferor beneficiary will own the money absolutely;
- (2) the amount of ineligible collections notified to the receivables trustee not previously allocated as principal collections, to a bank account opened in the name of the transferor to deposit the cash proceeds of the purchase price of the receivables, called the "**Barclaycard Proceeds Account**", after which the transferor beneficiary will own the money absolutely;
- (3) the total amount of principal collections allocated to the investor interest of any outstanding series, minus the Investor Cash Available for Acquisition of that series from the Principal Collections Ledger to the account specified in the supplement for that series;
- (4) the total amount of Investor Cash Available for Acquisition and Transferor Cash Available for Acquisition needed on that day from the ledger of the Trustee Collection Account for principal collections – called the "**Principal Collections Ledger**" – to the Trustee Acquisition Account;
- (5) the Transferor Percentage of finance charge collections and the amount of Acquired Interchange deposited in the Trustee Collection Account not allocated to the investor interest of any outstanding series, from the ledger of the Trustee Collection Account for finance charge collections – called the "**Finance Charge Collections Ledger**" – to the Barclaycard Proceeds Account, or as the transferor beneficiary may direct, after which the money will be owned by the transferor beneficiary absolutely; and
- (6) each finance charge amount and all Acquired Interchange allocable to any outstanding series, from the Finance Charge Collections Ledger to any account that may be specified in the supplement for that series.

Acquiring Additional Entitlements to Trust Property and Payments for Receivables

To understand what a revolving period is, see "*Series 06-1: Allocation, Calculation and Distribution of Principal Collections to the MTN Issuer*".

During the revolving period for a series, the receivables trustee will use the portion of principal collections allocated to the investor beneficiaries of that series and which is available to fund the acquisition of the beneficial entitlement to receivables to pay for the purchase of the beneficial entitlement to receivables that are eligible. These available principal collections are called "**Investor Cash Available for Acquisition**". No Investor Cash Available for Acquisition will be used to fund ineligible receivables.

On any day a series may be allocated more money for acquisitions than is needed to purchase existing or future receivables that are eligible and available for a series to fund. In that case, that series will use the excess Investor Cash Available for Acquisition to acquire available Transferor Interest from the transferor beneficiary and, if allowed under its supplement, investor interest from other designated series. Any money left over will be used to fund acquisitions on subsequent business days.

The transferor beneficiary will fund the amount payable by the receivables trustee for all the existing and future receivables that all series are unable to fund plus the amount of any ineligible receivables that need to be funded. Consequently, the amount payable by the receivables trustee to the transferor for all existing and future receivables it is purchasing on any business day will be funded first by the series to the extent of all of the Investor Cash Available for Acquisition and then by the transferor beneficiary to the extent of the Transferor Cash Available for Acquisition. "**Transferor Cash Available for Acquisition**" for any day means an amount equal to the Transferor Percentage of principal collections processed on that day.

On each business day after making all adjustments, the beneficial interest of each series in the Eligible Receivables Pool:

- will be decreased by the amount of principal collections allocated to that series that constitutes Investor Cash Available for Acquisition; and
- will be increased by the amount of Investor Cash Available for Acquisition used by the receivables trustee to pay for existing and future receivables and the amount of Investor Cash Available for Acquisition allocated to the Transferor Interest or the investor interest of other series to increase the proportion of the beneficial interest of that series.

These changes will not affect the beneficial entitlement of:

- any beneficiary to monies credited to any Trust Account to which it is beneficially entitled; or
- any series to monies credited to any Trust Account to which the beneficiaries constituting that series are together beneficially entitled.

On each business day after making all adjustments, the beneficial interest of the transferor beneficiary in the Eligible Receivables Pool:

- will be decreased by the amount of principal collections and Investor Cash Available for Acquisition allocated to the transferor beneficiary; and
- will be increased by the amount of Transferor Cash Available for Acquisition and the increase in the Transferor Interest resulting from the decrease described in the prior bullet point.

However, any change in the beneficial interest of the transferor beneficiary in the Eligible Receivables Pool will not affect the beneficial entitlement of the transferor beneficiary to money credited to any Trust Account to which it is beneficially entitled.

The investor interest of each series and the beneficial interest in the receivables trust of each additional beneficiary will increase or decrease as described in the related supplement.

On each business day, after making all adjustments, the Transferor Interest:

- will be decreased by the amount of Transferor Cash Available for Acquisition not used to pay for new receivables and Investor Cash Available for Acquisition transferred to the transferor beneficiary by credit to the Barclaycard Proceeds Account; and
- will be increased by the purchase price payable to the transferor by the receivables trustee to be funded by the transferor beneficiary.

These changes will not affect the beneficial entitlement of the transferor beneficiary to money credited to any Trust Account to which it is beneficially entitled.

Other adjustments to the Transferor Interest are explained in "*The Receivables Trust: Allocation and Application of Collections*".

Non-Petition Undertaking of Beneficiaries

Each beneficiary of the receivables trust, including Barclaycard as transferor beneficiary and excess interest beneficiary, the transferor, the trust cash manager and any successor trust cash manager, by entering into a supplement, will agree with the receivables trustee for itself and as trustee that it will not attempt to take any action or legal proceedings for the winding up, dissolution or re-organisation of, or for the appointment of a receiver, administrator, administrative receiver, trustee, liquidator, sequestrator or similar officer for, any investor beneficiary, the receivables trustee or the receivables trust. These parties will also agree not to seek to enforce any judgments against any of those persons.

Trust Pay Out Events

The following is a list of what we refer to in this prospectus as the "Trust Pay Out Events":

- (1) the transferor consents or takes any corporate action to appoint a receiver, administrator, administrative receiver, liquidator, trustee or similar officer of it or over all or substantially all of its revenues and assets;
- (2) proceedings are started against the transferor under any applicable liquidation, insolvency, composition or re-organisation or similar laws for its winding up, dissolution, administration or re-organisation and the proceedings are not discharged within 60 days, or a receiver,

administrator, administrative receiver, liquidator, trustee or similar officer of it or relating to all or substantially all of its revenues and assets is legally and validly appointed and is not discharged within 14 days;

- (3) a duly authorised officer of the transferor admits in writing that the transferor beneficiary or excess interest beneficiary is unable to pay its debts when they fall due within the meaning of Section 123(1) of the Insolvency Act 1986 or the transferor makes a general assignment for the benefit of or a composition with its creditors or voluntarily suspends payment of its obligations to generally readjust or reschedule its debt;
- (4) the transferor cannot transfer receivables in the designated accounts to the receivables trust in the manner described in the receivables securitisation agreement;
- (5) the transferor stops being either a resident in the United Kingdom for tax purposes or liable for United Kingdom corporation tax; or
- (6) either:
 - a change in law or its interpretation or administration results in the receivables trustee becoming liable to make any payment on account of tax – other than stamp duty payable in the United Kingdom for the transfer of receivables under the receivables securitisation agreement; or
 - any tax authority asserts a tax liability or takes other actions against Barclays or any of its subsidiaries in relation to the transaction which would have an adverse affect on them which is more than trivial, if Barclays obtains an opinion of counsel stating that the tax liability would be due. This event will be treated as occurring when Barclays, as transferor beneficiary, gives written notice of it to the receivables trustee.

The Trust Pay Out Events in paragraphs (1), (2) and (3) are called “**Insolvency Events**”. If an Insolvency Event occurs, a Pay Out Event will occur for each series (provided in the case of series 06-1 a Pay Out Commencement Date has also occurred), each beneficiary within a series and for the transferor beneficiary. If any other Trust Pay Out Event occurs, a Pay Out Event will occur for each series (provided in the case of series 06-1 a Pay Out Commencement Date has also occurred) and each beneficiary within a series. Trust Pay Out Events will occur without any notice or other action on the part of the receivables trustee or any beneficiary, as soon as the event happens. “**Pay Out Commencement Date**” means the date upon which both: (a) a Pay Out Event is deemed to occur; and (b) the Investor Interest (as such term is defined pursuant to the terms of each Existing Series) for each Existing Series is zero.

A “**Pay Out Event**” for series 06-1 means a Trust Pay Out Event or one of the events listed in “*Series 06-1: Series 06-1 Pay Out Events*”.

After an Insolvency Event, future receivables, other than finance charge receivables accruing for principal receivables that have been assigned to the receivables trustee, will no longer be assigned to the receivables trustee. The receivables trustee will not be entitled to accept any more offers of receivables after an Insolvency Event. Finance charge receivables accruing on principal receivables that have been assigned to the receivables trustee before the Insolvency Event will still be part of the receivables trust’s property and finance charge collections from them will continue to be allocated and applied as set out in the declaration of trust and trust cash management agreement and each supplement.

The receivables trustee will notify each beneficiary if an Insolvency Event occurs and will dispose of the receivables on commercially reasonable terms, unless within 60 days of that notice beneficiaries representing more than 50 per cent. of the investor interest of every series, both the transferor beneficiary and the excess interest beneficiary – in each case, if not subject to an Insolvency Event – and every other person identified in any supplement disapproves of the liquidation of the receivables and wishes to continue with the receivables trustee accepting offers and purchasing receivables under the receivables securitisation agreement. Money from this sale will be treated as collections on the receivables and will be distributed in accordance with the provisions of the declaration of trust and trust cash management agreement and each supplement. See “*Series 06-1*”.

Termination of the Receivables Trust

If the receivables trust has not already been dissolved after an Insolvency Event, then the transferor beneficiary can instruct the receivables trustee to dissolve the receivables trust when:

- the total amount of all of the investor interests is reduced to zero;
- there are no finance charge collections or other trust property allocated to any beneficiaries other than the transferor beneficiary or the excess interest beneficiary; and
- no beneficiary is committed to fund payments to the transferor for purchases of receivables by the receivables trust.

After the receivables trust is dissolved, all of the receivables trust's property will be controlled by the transferor beneficiary as residual beneficiary, and the receivables securitisation agreement will be terminated.

For the purposes of Section 1 of the Perpetuities and Accumulations Act 1964, the duration of the perpetuity period for the receivables trust's property will be a period ending not later than 80 years from the date of execution of the declaration of trust and cash management agreement. Any property of the receivables trust after this period will vest in the current beneficiaries in accordance with their entitlements to the receivables trust's property at that date.

Amendments to the Declaration of Trust and Trust Cash Management Agreement

The declaration of trust and trust cash management agreement may be amended with the prior consent of each related beneficiary. No amendment will be effective unless each rating agency has confirmed that the amendment will not result in a reduction or withdrawal of its then current rating of any outstanding related beneficiary debt.

No investor beneficiary will consent to any proposed amendment unless instructed to do so by noteholders holding in total not less than two thirds of the medium term notes or certificates then outstanding of each outstanding series adversely affected. The investor beneficiary may not consent to any proposed amendment that would:

- reduce or delay required distributions to any investor beneficiary for the affected series;
- change the definition or the manner of calculating the investor interest, the Investor Percentage or the investor default amount of the affected series or any Class of the affected series; or
- reduce the percentage required to consent to any amendment, unless instructed to do so by all the noteholders of the medium term notes or certificates then outstanding of the affected series.

Disposals

Beneficiaries may not transfer or dispose of their beneficial entitlements in the receivables trust or create any encumbrance over its beneficial entitlement, except that:

- the transferor beneficiary or the Excess Interest beneficiary may dispose of the Transferor Interest or the Excess Interest by transferring all or substantially all of its properties and assets to any person, if that person also expressly assumes the duties and obligations of the transferor, the transferor beneficiary and the excess interest beneficiary under the relevant documents; after the transfer, the new person will be the person used to determine if an Insolvency Event has occurred;
- the transferor beneficiary or the excess interest beneficiary may transfer or create any encumbrance over the whole or any part of the Transferor Interest or the Excess Interest with the consent of investor beneficiaries representing in total more than one-half of the total investor interest of each series; however, the rating agencies must first confirm that the transfer or encumbrance will not result in a downgrade or withdrawal of its rating of any outstanding related beneficiary debt; and
- any beneficiary – except for the transferor beneficiary or the excess interest beneficiary – may transfer all or any part of their beneficial entitlement or grant an encumbrance over their beneficial entitlement with the prior written consent of the transferor beneficiary, which consent will not be unreasonably withheld; however, the receivables trustee must first receive confirmation in writing from the person to whom the transfer will be made or for whom the

encumbrance will be granted or created, that it complies with the criteria referred to in the fifth and sixth prerequisite to the completion of an issuance as referred to on page 70 in “– *General Legal Structure*” above.

The receivables trustee will, upon the direction of all of the beneficiaries, be authorised to reassign to Barclaycard the beneficial interest in defaulted receivables for a purchase price equal to the amount received or recovered, if any, by Barclaycard from those defaulted receivables less the fees, costs and expenses incurred by Barclaycard in the recovery of that amount.

Trustee Payment Amount

The receivables trustee will be paid its remuneration, which is inclusive of VAT (if any), and reimbursed and indemnified (under the terms of the declaration of trust and trust cash management agreement) for any costs and expenses incurred by it in connection with its duties and activities as receivables trustee, including the part of these costs and expenses that represents VAT (if any) out of the property of the receivables trust allocated to the investor beneficiaries. The receivables trustee will be paid monthly in arrears on each transfer date the amounts certified by the trust cash manager to the receivables trustee by the end of any monthly period as being due to it for that monthly period. This payment is called the “**Trustee Payment Amount**”. The proportion of the Trustee Payment Amount to be paid by series 06-1 and the MTN Issuer is described in “*Series 06-1: Trustee Payment Amount*”.

Servicing of Receivables and Trust Cash Management

General – Servicing

Barclaycard was appointed on the initial closing date by the beneficiaries of the receivables trust as initial servicer under the terms of the beneficiaries servicing agreement. Any additional transferor beneficiary or beneficiary must accede to the beneficiaries servicing agreement. The servicer will service, administer and manage the receivables and request and receive payments on the receivables using its usual procedures and normal market practices for servicing credit and charge card receivables comparable to the receivables in the designated accounts. The servicer has full power and authority, acting alone or through any other party properly designated, to undertake all actions concerning the servicing, administration and management of the receivables it considers necessary or desirable.

The servicer's duties include carrying out all servicing, administration and management functions in relation to the receivables and, insofar as the interests of the beneficiaries are affected, the designated accounts in accordance with Barclaycard's policies and procedures from time to time and in accordance with normal market practice, insofar as consistent with Barclaycard's policy and procedures. These functions include:

- carrying out valuations of receivables on designated accounts for the purpose of determining whether any receivables should be charged off in accordance with Barclaycard's credit and charge card guidelines;
- ensuring that the interests of the beneficiaries are taken into account in making decisions regarding the granting of credit to obligors;
- on its own behalf, preparing and keeping its own records as regards all of these matters, including in particular but without limitation, the matters referred to in the first two bullet points above;
- monitoring payments by obligors and notifying obligors of overdue payments; and
- crediting and debiting obligors' accounts as appropriate.

The servicer will at all times be required to take all practicable steps to:

- ensure that payments made to the transferor by obligors are received into the Barclaycard Operating Account;
- identify any funds in the Barclaycard Operating Account which are required to be transferred to the trustee collection account for the benefit of the beneficiaries; and
- ensure that such funds are so transferred when required.

The servicer will not resign from its obligations and duties as servicer under the beneficiaries servicing agreement unless its performance is no longer permitted under applicable law and there is no reasonable action that it could take to make it permissible. The servicer's resignation will not be effective until a successor servicer has been properly appointed. Barclaycard, as initial servicer, performs account processing and administration in-house, but has subcontracted some cardholder payment processing services, which are undertaken on Barclaycard's behalf by ASTRON (Business Processing Solutions).

The servicer will indemnify each investor beneficiary against all reasonable loss, liability, expense, damage or injury caused by the servicer's fraud, wilful misconduct or negligence in performing its servicing functions. However, the servicer will not indemnify any investor beneficiary:

- if any acts or omissions are caused by the negligence, fraud or wilful misconduct of that investor beneficiary or its agents;
- for any liabilities, costs or expenses of the receivables trust for any action taken by the receivables trustee at the request of any investor beneficiary of any series to which that investor beneficiary belongs;
- for any loss, claims or damages that are incurred by any of them acting in their capacity as beneficiaries, including those resulting from defaulted accounts; or
- for any liabilities, costs or expenses arising under any tax law, or any penalties or interest caused by a failure to comply with any tax law, payable by it in connection with the beneficiaries servicing agreement to any tax authority.

The directors, officers, employees or agents of the servicer and the servicer itself will not be under any liability to the receivables trustee, the receivables trust, the investor beneficiaries, any enhancement provider or any other person under the beneficiaries servicing agreement or any related provider except in the case of intentional wrongdoing, bad faith or gross negligence in performing its duties under the beneficiaries servicing agreement.

Any person into which the servicer may be merged or consolidated, or any person succeeding to or acquiring the business of the servicer in whole or in part, after executing a supplemental agreement to the beneficiaries servicing agreement and the delivery of a legal opinion, will become the successor to the servicer or co-servicer with the servicer under the beneficiaries servicing agreement.

General – Trust Cash Management

Barclaycard was appointed on the initial closing date by the receivables trustee as initial trust cash manager under the terms of the declaration of trust and trust cash management agreement. The trust cash manager will carry out cash management functions in relation to the receivables on behalf of the receivables trustee.

The trust cash manager's duties include but are not confined to:

- making calculations on the allocations of receivables; and
- advising the receivables trustee to transfer money between the Trust Accounts and to make withdrawals and payments from the Trust Accounts as set forth in the declaration of trust and trust cash management agreement.

The trust cash manager will not resign from its obligations and duties as trust cash manager under the declaration of trust and trust cash management agreement unless its performance is no longer permitted under applicable law and there is no reasonable action that it can take to remedy the situation. The trust cash manager's resignation will not be effective until a successor trust cash manager has been properly appointed.

The trust cash manager will indemnify the receivables trustee and the receivables trust against all reasonable loss, liability, expense, damage or injury, in each case including VAT, if any, caused by its fraud, wilful misconduct or negligence in performing its cash management functions. However, the trust cash manager will not indemnify the receivables trustee:

- if any acts or omissions are caused by the negligence, fraud or wilful misconduct of the receivables trustee or its agents;
- for any liabilities, costs or other expenses of the receivables trust for any action taken by the receivables trustee at the request of any investor beneficiary of any series to which that investor beneficiary belongs;
- for any losses, claims or damages incurred by the receivables trustee in its capacity as a beneficiary of the receivables trust; or
- for any liabilities or other costs of it or the receivables trust arising under any tax law or any penalties or interest caused by a failure to comply with any tax law, payable by it or the receivables trust in connection with the declaration of trust and trust cash management agreement to any tax authority.

The directors, officers and other employees and agents of the trust cash manager and the trust cash manager itself will not be under any liability to the receivables trustee or the receivables trust or any other person under the declaration of trust and trust cash management agreement except in the case of intentional wrongdoing, bad faith or negligence in performing its duties under the declaration of trust and trust cash management agreement.

Any person into which the trust cash manager may be merged or consolidated, or any person succeeding to or acquiring the business of the trust cash manager in whole or in part, after executing a supplemental agreement to the declaration of trust and trust cash management agreement and the delivery of a legal opinion, will become the successor to the trust cash manager or co-trust cash manager under the declaration of trust and trust cash management agreement.

Servicing and Trust Cash Manager Compensation

The servicer is entitled to receive an annual fee from the beneficiaries for each monthly period. This fee is called the "servicing fee" and is payable monthly on each transfer date, to the extent

that those monies are available. Any amounts payable in respect of the servicing fee will be inclusive of VAT, if any. The servicing fee will be equal to one-twelfth of the product of:

- 0.75 per cent., or if Barclays Bank PLC is the servicer, such other percentage which the rating agencies have confirmed will not result in a downgrade or withdrawal of the rating of the notes or any related beneficiary debt and legal counsel has confirmed that such percentage will not prejudice tax treatment of the receivables trust or the beneficiaries; and
- the average daily total outstanding face amount of principal receivables during that monthly period.

The share of the servicing fee payable by the receivables trustee on behalf of the investor beneficiary to the servicer for series 06-1 on any transfer date is called the “**investor servicing fee**” and will be equal to

- one-twelfth of the product of:
 - (1) 0.75 per cent.; or
 - (2) another percentage agreed with the investor beneficiaries as long as Barclaycard is the servicer provided that the rating agencies confirm in writing that the new percentage will not cause them to reduce or withdraw their then current rating on any related beneficiary debt; and
- the Investor Interest as at the last day of the monthly period before that transfer date.

On the first transfer date after the closing date the investor servicing fee will be £147,144.

The balance of the servicing fee not payable in respect of series 06-1 or any other series will be payable by the transferor and is called the “**transferor servicing fee**”. If the servicer is also the transferor beneficiary in any monthly period, the transferor servicing fee for that monthly period will not be payable.

The trust cash manager is entitled to receive a VAT inclusive fee from the receivables trustee for each monthly period. This fee is called the “**trust cash management fee**” and is payable monthly on each transfer date. The trust cash management fee will be equal to one-twelfth of the product of the sum of the annual fees in each supplement as being the investor trust cash management fees for each series.

The share of the trust cash management fee payable by the receivables trustee to the trust cash manager for series 06-1 on any transfer date for which series 06-1 agrees to indemnify the receivables trustee is called the “**investor trust cash management fee**” and will be equal to one-twelfth of £6,000. The trust cash management fee can be any other amount that the receivables trustee may agree to as long as Barclaycard is the trust cash manager provided that the rating agencies confirm in writing that the new amount will not cause them to reduce or withdraw their then current rating on any related beneficiary debt.

On the first transfer date after the closing date the investor trust cash management fee will be £1,052.

The balance of the trust cash management fee, in respect of which the receivables trustee is not indemnified by series 06-1 or any other series, will be payable by the transferor and is called the “**transferor trust cash management fee**”. If the trust cash manager is also the transferor beneficiary in any monthly period, the transferor trust cash management fee for that monthly period will not be paid.

Termination of Appointment of Servicer

The appointment of a transferor as servicer under the beneficiaries servicing agreement and the appointment of any person as joint servicer to replace anyone then acting as the servicer – called a “**successor servicer**” – will terminate when a servicer default occurs and is continuing.

“**Servicer default**” means any one of the following events:

- (1) failure on the part of the servicer duly to observe or perform in any respect any other covenant or agreement of the servicer contained in the beneficiaries servicing agreement, or any other relevant document, that has a material adverse effect on the interests of the investor beneficiaries of any outstanding series; this failure will constitute a servicer default only if it remains unremedied and continues to have an adverse effect on the interests of the investor beneficiaries for 60 days after the receipt of a notice of the failure is given by the investor beneficiaries to the servicer; if the notice is given by the investor beneficiaries it will

be on the instruction of a group of holders of medium term notes or certificates representing more than fifty per cent. of the total face value of the medium term notes or certificates outstanding of any outstanding series adversely affected;

- (2) delegation by the servicer of its duties under the beneficiaries servicing agreement to any other entity, except as permitted by the beneficiaries servicing agreement;
- (3) any relevant representation, warranty or certification made by the servicer in the beneficiaries servicing agreement or in any certificate delivered under the beneficiaries servicing agreement was incorrect when made, which has a material adverse effect on the interests of the investor beneficiaries of any outstanding series; this failure will only be a servicer default if it remains unremedied and continues to have an adverse effect on the interests of the investor beneficiaries for 60 days after the receipt of a notice of the failure is given; the notice of the failure will be given by either (1) the receivables trustee to the servicer, or (2) the investor beneficiaries to the receivables trustee and the servicer; if the notice is given by the investor beneficiaries it will be on the instruction of holders of the series 06-1 medium term note certificate representing more than fifty per cent. of the total face value of the series 06-1 medium term note certificate outstanding of any outstanding series adversely affected;
- (4) any of the following:
 - the servicer agrees to or takes any corporate action to appoint a receiver, administrator, administrative receiver, trustee or similar officer of it or of all of its revenues and assets; or
 - an order of the court is made for its winding-up, dissolution, administration or re-organisation that has remained in force undischarged or unstayed for 60 days; or
 - a receiver, administrator, administrative receiver, trustee or similar officer of it or all of its revenues and assets, is appointed; and
- (5) any of the following:
 - a duly authorised officer of the servicer admits in writing that the servicer is unable to pay its debts as they fall due within the meaning of Section 123(1) of the Insolvency Act 1986; or
 - the servicer makes a general assignment for the benefit of or a composition with its creditors or it voluntarily suspends payment of its obligations with a view to the general readjustment or rescheduling of its indebtedness.

In the case of (1), (2) or (3) above the grace period will be 60 business days. The grace period is the extra number of days before a servicer default can be called, allowing the servicer to remedy a servicer default that has been caused by so-called acts of God or uncontrollable circumstances. These circumstances are called *force majeure* events and are listed in the beneficiaries servicing agreement.

Within two business days after the servicer becomes aware of any servicer default, the servicer must notify the beneficiaries, each rating agency, the security trustee and any enhancement provider as soon as possible in writing. The beneficiaries must give each rating agency notice of any removal of the servicer or appointment of a successor servicer.

Investor beneficiaries acting on the instructions of holders of medium term notes or certificates representing in total more than two-thirds of the total face value of medium term notes or certificates then outstanding of each series adversely affected by any default by the servicer or the transferor in the performance of its obligations under the beneficiaries servicing agreement and any other relevant documents, may waive the default unless it is a failure to make any required deposits, or payments of interest or principal for the adversely affected series.

After the servicer receives a termination notice and a successor servicer is appointed, the duties of acting as servicer of the receivables under the beneficiaries servicing agreement will pass from the then servicer to the successor servicer. The beneficiaries servicing agreement contains the requirements for the transfer of the servicing role, including the transfer of authority over collections, the transfer of electronic records and the disclosure of information.

After it receives a termination notice, the servicer will continue to act as servicer until agreed by it and the beneficiaries. The beneficiaries must try to appoint a successor servicer that is an eligible servicer.

If the receivables trustee cannot appoint a successor servicer and the servicer delivers a certificate that says it cannot in good faith cure the servicer default, then the receivables trustee will start the process of selling the receivables. The beneficiaries will notify any enhancement providers of the proposed sale of the receivables by the receivables trustee to a third party and will provide each enhancement provider an opportunity to bid on purchasing the receivables.

The proceeds of the sale will be deposited in the Trust Accounts for distribution to the beneficiaries as set out in the declaration of trust and trust cash management agreement and the series supplements.

An “eligible servicer” means an entity that, when it is servicer:

- is servicing a portfolio of consumer revolving credit or charge card accounts or other consumer credit accounts;
- is legally qualified and has the capacity to service the designated accounts;
- is qualified or licensed to use the software that the servicer is then currently using to service the designated accounts or obtains the right to use, or has its own, software that is adequate to perform its duties under the beneficiaries servicing agreement; and
- has, in the opinion of each rating agency, demonstrated the ability to service, professionally and competently, a portfolio of similar accounts in accordance with customary standards of skill and care.

Termination of Appointment of Trust Cash Manager

The appointment of the transferor as trust cash manager under the declaration of trust and trust cash management agreement and the appointment of any person as joint trust cash manager or to replace anyone then acting as the trust cash manager – called a “successor trust cash manager” – will terminate when a trust cash manager default occurs.

“Trust cash manager default” means any one of the following events:

- (1) any failure by the trust cash manager to direct the making of any payment, transfer or deposit or to give instructions or notice to the receivables trustee pursuant to an agreed schedule of collections and allocations; any failure by the trust cash manager to advise the receivables trustee to make any required drawing, withdrawal, or payment under any credit enhancement; these events will be considered failures if they do not happen within five business days after the date that they were supposed to happen under the terms of the declaration of trust and trust cash management agreement or any other relevant document;
- (2) failure on the part of the trust cash manager duly to observe or perform in any respect any other covenant or agreement of the trust cash manager contained in the declaration of trust and trust cash management agreement, or any other relevant document, that has a material adverse effect on the interests of the investor beneficiaries of any outstanding series; this failure will constitute a servicer default only if it remains unremedied and continues to have a material adverse effect on the interests of the investor beneficiaries for 60 days after the receipt of a notice of the failure is given; the notice of the failure will be given by either (1) the receivables trustee to the trust cash manager, or (2) the investor beneficiaries to the receivables trustee and the trust cash manager; if the notice is given by the investor beneficiaries it will be on the instruction of a group of holders of medium term notes or certificates representing more than fifty per cent. of the total face value of the medium term notes or certificates outstanding of any outstanding series adversely affected;
- (3) delegation by the trust cash manager of its duties under the declaration of trust and trust cash management agreement to any other entity, except as permitted by the declaration of trust and trust cash management agreement;
- (4) any relevant representation, warranty or certification made by the trust cash manager in the declaration of trust and trust cash management agreement or in any certificate delivered under the declaration of trust and trust cash management agreement was incorrect when made, which has a material adverse effect on the interests of the investor beneficiaries of any outstanding series; this failure will be a trust cash manager default only if it remains unremedied and continues to have a material adverse effect on the interests of the investor beneficiaries for 60 days after the receipt of a notice of the failure is given; the notice of the failure will be given by either (1) the receivables trustee to the trust cash manager, or (2) the investor beneficiaries to the receivables trustee and the trust cash manager; if the notice is

given by the investor beneficiaries it will be on the instruction of holders of medium term notes or certificates representing more than fifty per cent. of the total face value of the medium term notes or certificates outstanding of any outstanding series adversely affected;

(5) any of the following:

- the trust cash manager agrees to or takes any corporate action to appoint a receiver, administrator, administrative receiver, liquidator, trustee or similar officer of it or of all of its revenues and assets; or
- an order of the court is made for its winding-up, dissolution, administration or re-organisation that has remained in force undischarged or unstayed for 60 days; or
- a receiver, administrator, administrative receiver, liquidator, trustee or similar officer of it or all of its revenues and assets is appointed; and

(6) any of the following:

- a duly authorised officer of the trust cash manager admits in writing that the trust cash manager is unable to pay its debts as they fall due within the meaning of Section 123(1) of the Insolvency Act 1986; or
- the trust cash manager makes a general assignment for the benefit of or a composition with its creditors or it voluntarily suspends payment of its obligations with a view to the general readjustment or rescheduling of its indebtedness.

In the case of (1) above the grace period will be 10 business days and in the case of (2), (3) or (4) above it will be 60 business days. The grace period is the extra number of days before a trust cash manager default will be effective allowing the trust cash manager to remedy a trust cash manager default that has been caused by so-called acts of God or uncontrollable circumstances. These circumstances are called *force majeure* events and are listed in the declaration of trust and trust cash management agreement.

Within two business days after the trust cash manager becomes aware of any trust cash manager default, the trust cash manager must notify the receivables trustee, each rating agency, each investor beneficiary and any enhancement provider as soon as possible in writing. The receivables trustee must give each investor beneficiary and rating agency notice of any removal of the trust cash manager or appointment of a successor trust cash manager. The receivables trustee must give each rating agency notice of any removal of the trust cash manager.

Investor beneficiaries acting on the instructions of holders of medium term notes or certificates representing in total more than two-thirds of the total face value of medium term notes or certificates then outstanding of each series adversely affected by any default by the trust cash manager or the transferor in the performance of its obligations under the declaration of trust and trust cash management agreement and any other relevant documents, may waive the default unless it is a failure to make any required deposits, or payments of interest or principal, for the adversely affected series.

After the trust cash manager receives a termination notice and a successor trust cash manager is appointed, the duties of acting as trust cash manager of the receivables under the declaration trust and trust cash management agreement will pass from the then trust cash manager to the successor trust cash manager. The declaration of trust and trust cash management agreement contains the requirements for the transfer of the trust cash management role, including the transfer of authority over collections, the transfer of electronic records and the disclosure of information.

After it receives a termination notice, the trust cash manager will continue to act as trust cash manager until a date agreed by the receivables trustee and the trust cash manager. The receivables trustee must try to appoint a successor trust cash manager that is an eligible trust cash manager.

If the receivables trustee cannot appoint a successor trust cash manager and the trust cash manager delivers a certificate that says it cannot in good faith cure the trust cash manager default, then the receivables trustee will start the process of selling the receivables. The receivables trustee will notify each enhancement provider of the proposed sale of the receivables by the receivables trustee to a third party and will provide each enhancement provider an opportunity to bid on purchasing the receivables.

The proceeds of the sale will be deposited in the Trust Accounts for distribution to the beneficiaries as set out in the declaration of trust and trust cash management agreement and the series supplements.

An “eligible trust cash manager” means an entity that, when it is trust cash manager:

- is legally qualified and has the capacity to carry out the trust cash management functions as set forth in the declaration of trust and trust cash management agreement;
- is qualified or licensed to use the software that the trust cash manager is then currently using to carry out cash management of the receivables or obtains the right to use, or has its own, software that is adequate to perform its duties under the declaration of trust and trust cash management agreement; and
- has, in the opinion of each rating agency, demonstrated the ability to professionally and competently act as a trust cash manager in accordance with customary standards of skill and care.

Series 06-1

General

The MTN Issuer is an investor beneficiary of the receivables trust. Its initial beneficial interest was conferred under a series supplement called the series 99-1 supplement (series 99-1 was fully repaid in November 2002), and subsequent beneficial interests were conferred under series supplements called the series 02-1, series 03-1, series 03-2 (series 03-2 was fully repaid in June 2006), series 03-3 (series 03-3 was fully repaid in August 2006), series 04-1, series 04-2, series 05-1, series 05-2, series 05-3 and series 05-4 supplements. The MTN Issuer will increase its entitlement under the receivables trust under a series supplement called the “**Series 06-1 Supplement**”. The parties to the Series 06-1 Supplement are the receivables trustee, Barclaycard as the transferor beneficiary, the excess interest beneficiary, servicer, the trust cash manager and the transferor, and the MTN Issuer as the investor beneficiary.

The MTN Issuer will increase its beneficial entitlement as investor beneficiary by paying £111,890,441 to the receivables trustee on the closing date; this amount is called the “**Initial Investor Interest**”. For the purposes of making calculations about the performance of the undivided beneficial interest of series 06-1 in the receivables trust, the Investor Interest will be referable to notional classes called “**Class A1**” and “**Class A2**”.

The MTN Issuer will receive an investor certificate. This investor certificate will be evidence of the Initial Investor Interest for series 06-1 in the receivables trust, calculated as referable to Class A1 and Class A2 and will be governed by English law.

The MTN Issuer will confirm the following in the Series 06-1 Supplement:

- that its usual place of abode is within the United Kingdom for the purpose of Section 349 of the Income and Corporation Taxes Act 1988; and
- that it has a business establishment, for the purposes of Section 9 of the Value Added Tax Act 1994, in the United Kingdom which is either its sole business establishment, with no other fixed establishment anywhere else in the world, or is its business or other fixed establishment at which any services received by it as contemplated in the relevant documents are most directly used or to be used or, as the case may be, its business or other fixed establishment which is most directly concerned with any services supplied by it as contemplated in the relevant documents.

Series 06-1 will be included in group one, which included series 99-1 (now repaid), series 03-2 (now repaid) and series 03-3 (now repaid) and which includes series 02-1, series 03-1, series 04-1, series 04-2, series 05-1, series 05-2, series 05-3 and series 05-4 and will not be subordinated to any other investor beneficiary or series. See “– *Shared Principal Collections*” for the ramifications of series 06-1 being included in group one.

Following execution of the series 06-1 supplement the MTN Issuer will acquire from Barclays Bank PLC as excess interest beneficiary that part of the rights of Barclays Bank PLC to the excess interest attributable to series 06-1.

Beneficial Entitlement of the MTN Issuer to Trust Property other than in respect of the Excess Interest

In order to understand the beneficial entitlement of the MTN Issuer to the property of the receivables trust you will need to understand the following definitions.

The “**Class A1 Floating Allocation**” and the “**Class A2 Floating Allocation**” (together, the “**Class A Floating Allocation**”) will each be calculated the same way and will be equal to, for each notional Class and for each monthly period (other than in respect of the first monthly period), the following fraction expressed as a percentage:

the Investor Interest for the relevant notional Class

Investor Interest

where these amounts are calculated on the close of business on the last day of the monthly period prior to the transfer date.

The floating allocation for each notional Class for the first monthly period will be calculated as follows:

$$\frac{\text{the Initial Investor Interest for the relevant notional Class}}{\text{Initial Investor Interest}}$$

“Class A Investor Charge-Off” means the Class A1 Investor Charge-Off and the Class A2 Investor Charge-Off.

“Class A Initial Investor Interest” means the Class A1 Initial Investor Interest and the Class A2 Initial Investor Interest.

“Class A Investor Interest” means the Class A1 Investor Interest and Class A2 Investor Interest.

“Class A1 Initial Investor Interest” means the sterling equivalent of €60,000,000 using the fixed exchange rates in the Class A1 swap agreement.

“Class A1 Investor Interest” means at any time an amount equal to:

- (1) the Class A1 Initial Investor Interest, minus
- (2) the total principal payments made to the MTN Issuer for the purposes of calculation treated as referable to the Class A1 Investor Interest from the property of the receivables trust, minus
- (3) the total amount of Class A1 Investor Charge-Offs for all prior transfer dates, plus
- (4) the total amount of any reimbursements of Class A1 Investor Charge-Offs on all prior transfer dates.

The Class A1 Investor Interest, however, may not be reduced below zero.

“Class A1 Investor Charge-Off” means a reduction in the Class A1 Investor Interest on any transfer date by the aggregate of (a) the amount, if any, by which the Class A1 Investor Default Amount exceeds the total amount of Class A1 Available Funds, Excess Spread, in each case available and allocated on that transfer date to fund the Class A1 Investor Default Amount and (b) the amount of Reallocated Class A1 Principal Collections.

“Class A2 Initial Investor Interest” means £71,500,000.

“Class A2 Investor Interest” means at any time an amount equal to:

- (1) the Class A2 Initial Investor Interest, minus
- (2) the total principal payments made to the MTN Issuer for the purposes of calculation treated as referable to the Class A2 Investor Interest from the property of the receivables trust, minus
- (3) the total amount of Class A2 Investor Charge-Offs for all prior transfer dates, plus
- (4) the total amount of any reimbursements of Class A2 Investor Charge-Offs on all prior transfer dates.

The Class A2 Investor Interest, however, may not be reduced below zero.

“Class A2 Investor Charge-Off” means a reduction in the Class A2 Investor Interest on any transfer date by the aggregate of (a) the amount, if any, by which the Class A2 Investor Default Amount exceeds the total amount of Class A2 Available Funds, Excess Spread, in each case available and allocated on that transfer date to fund the Class A2 Investor Default Amount and (b) the amount of Reallocated Class A2 Principal Collections.

“Initial Investor Interest” means the Class A Initial Investor Interest.

“Investor Interest” means the Class A Investor Interest.

The beneficial entitlement of the MTN Issuer as the investor beneficiary for series 06-1 to eligible principal receivables – which includes principal collections that are the property of the receivables trust – is equal to the proportion that the Investor Interest bears to the amount of eligible principal receivables assigned or purported to be assigned to the receivables trust at any time. However, the beneficial entitlement for each notional class will not exceed the Investor Interest at any time.

The beneficial entitlement of the MTN Issuer as the investor beneficiary for series 06-1 to finance charge collections during any monthly period is equal to the proportion that the floating allocation for each notional class bears to the investor percentage of finance charge collections for such monthly period credited to the Finance Charge Collections Ledger from time to time during that monthly period. However, the beneficial entitlement will not exceed the sum of the monthly

required expense amount, the investor servicing fee, the investor trust cash management fee and the Investor Default Amount for any notional Class of series 06-1 during any monthly period.

The beneficial entitlement of the MTN Issuer as the investor beneficiary for series 06-1 at any time to any other property of the receivables trust not separately held or segregated for any other beneficiary or series will be equal to the proportion that the Class A Investor Interest bears to the amount of eligible principal receivables from time to time assigned or purported to be assigned to the receivables trust. The MTN Issuer will not be entitled to the benefit of any credit enhancement for any notional class available only for any other beneficiary, series other than series 06-1 or classes within a series other than series 06-1, except to the extent it is an investor beneficiary for another series.

The MTN Issuer will be beneficially entitled to all monies held in any Trust Account other than:

- the Trustee Collection Account – except for the distribution ledger for each notional class; or
- the Trustee Acquisition Account;

that are expressly segregated by separate account or by ledger entry or otherwise, as allocated to the MTN Issuer.

Allocation, Calculation and Distribution of Finance Charge Collections to the MTN Issuer

On each day on which collections are transferred to the Trustee Collection Account during the Revolving Period, any Partial Amortisation Period and, if applicable, the Regulated Amortisation Period or the Rapid Amortisation Period, the receivables trustee will credit to the Finance Charge Collections Ledger for series 06-1 an amount calculated as follows:

$A \times B$

Where:

A = the Floating Investor Percentage; and

B = the total amount of finance charge collections processed on that date.

“**Floating Investor Percentage**” means, for any monthly period, the following fraction expressed as a percentage

$$\frac{A}{\text{the greater of B or C}}$$

Where:

A = the Investor Interest;

B = the total balance of eligible principal receivables in the receivables trust plus the Unavailable Principal Collections standing to the credit of the Principal Collections Ledger

C = the sum of the numerators used to calculate the floating investor percentages for all outstanding series.

These amounts will be calculated for any monthly period other than the first monthly period as of the last day of the prior monthly period. For the first monthly period, they will be calculated as of the closing date. The Floating Investor Percentage will never exceed 100 per cent.

Notwithstanding the above, for a monthly period in which an addition date occurs, B in the fraction used to calculate the Floating Investor Percentage will be:

- for the period from the first day of the monthly period to the addition date, the total balance of eligible principal receivables in the receivables trust plus the Unavailable Principal Collections standing to the credit of the Principal Collections Ledger at the close of business on the last day of the prior monthly period; and
- for the period from the addition date through the last day of the monthly period, the total balance of eligible principal receivables in the receivables trust plus the Unavailable Principal Collections standing to the credit of the Principal Collections Ledger on the addition date – taking into account the eligible principal receivables added to the receivables trust.

If, in any monthly period the Investor Interest would be zero if the payments to be made on the Distribution Date in that monthly period were made on the last day of the prior monthly period, the Floating Investor Percentage will be zero.

Class A1 Investor Interest

To understand the calculations and information delivered by the receivables trustee regarding the amount of finance charge collections distributable to the MTN Issuer that for the purposes of calculation is treated as referable to Class A1 on any transfer date, you need to understand the following definitions and cash flows.

The “Class A1 Monthly Required Expense Amount” for any transfer date will be the sum of the following items:

- an amount equal to the Class A1 Trustee Payment Amount plus any unpaid Class A1 Trustee Payment Amount from previous transfer dates; see “– Trustee Payment Amount”;
- a *pro rata* proportion (based on the proportion of Class A1 Investor Interest to Class A Investor Interest) of the MTN Issuer Costs Amount;
- a *pro rata* proportion (based upon the proportion of the Class A1 Investor Interest to the Class A Investor Interest) of any Existing Series Aggregate Required Monthly Finance Amount Shortfall calculated for that transfer date; **plus**
- the Class A1 Monthly Finance Amount;
- the Class A1 Deficiency Amount;
- the Class A1 Additional Finance Amount; and
- a *pro rata* proportion (based on the proportion of Class A1 Investor Interest to Class A Investor Interest) of the Monthly Loan Expenses Amount.

“Class A1 Monthly Finance Amount” means the amount calculated as follows:

$$\frac{\text{Days in Calculation Period}}{365 \text{ (366 in a leap year)}} \times \text{The Class A1 Finance Rate} \times \text{The Class A1 Debt Amount}$$

The “Class A1 Finance Rate” for any Calculation Period will be the screen rate, or the arithmetic mean calculated to replace the screen rate, (a) in respect of the first Calculation Period, the linear interpolation of 2-month and 3-month sterling LIBOR as set on the closing date; and (b) in respect of subsequent Calculation Periods, one-month sterling LIBOR, in each case for pounds sterling in the London interbank market, plus 2.824 per cent.

“Class A1 Deficiency Amount” is the excess, if any, of the Class A1 Monthly Required Expense Amount for the prior transfer date – disregarding for this purpose the Class A1 Trustee Payment Amount and the MTN Issuer Costs Amount – over the funds referable to Class A1 actually credited to the Class A1 Distribution Ledger for payment of the Class A1 Monthly Required Expense Amount on that transfer date.

“Class A1 Additional Finance Amount” means the amount calculated as follows:

$$\frac{\text{Days in Calculation Period}}{365 \text{ (366 in a leap year)}} \times \begin{array}{l} \text{The Class A1 Finance Rate} \\ \text{plus 2.0 per cent.} \end{array} \times \begin{array}{l} \text{Any unpaid Class A1} \\ \text{Deficiency Amount} \\ \text{on the prior transfer date} \end{array}$$

The first “Distribution Date” or “Interest Payment Date” will be 15 December 2006 or, if that day is not a business day, the next business day after the 15th, and each subsequent Distribution Date or Interest Payment Date will be the 15th day of each calendar month, or if that day is not a business day, the next business day after the 15th.

“Calculation Period” means, for any Distribution Date, the period from and including the previous Distribution Date or, in the case of the first Distribution Date, from and including the closing date, to but excluding that Distribution Date.

“Class A1 Debt Amount” means the Class A1 Initial Investor Interest minus the total principal payments made to the MTN Issuer referable to the Class A1 Investor Interest from the property of the receivables trust. On the series 06-1 termination date, the Class A Debt Amount will be zero.

“Existing Series” means at any time those of the following Series when such Series remaining outstanding: Series 02-1, Series 03-1, Series 04-1, Series 05-1, Series 05-2, Series 05-3 and Series 05-4.

“Existing Series Aggregate Required Monthly Finance Amount Shortfall” means, on any Transfer Date, the aggregate of the amounts of Existing Series Class Required Monthly Finance Amount Shortfall calculated for such transfer date.

“Existing Series Class” means with respect to any Existing Series, the following Classes as defined pursuant to the terms of the relevant Existing Series:

- (a) with respect to Series 02-1, Class A, Class B and/or Class C, as applicable;
- (b) with respect to Series 03-1, Class A, Class B and/or Class C, as applicable;
- (c) with respect to Series 04-1, Class A, Class B and/or Class C, as applicable;
- (d) with respect to Series 04-2, Class A, Class B and/or Class C, as applicable;
- (e) with respect to Series 05-1, Class A, Class B and/or Class C, as applicable;
- (f) with respect to Series 05-2, Class A, Class B and/or Class C, as applicable;
- (g) with respect to Series 05-3, Class A1, Class A2, Class B1, Class B2, Class C1 and/or Class C2, as applicable;
- (h) with respect to Series 05-4, Class A, Class B and/or Class C, as applicable.

“Existing Series Class Available Funds” means with respect to each Existing Series Class the following terms as defined pursuant to the Existing Series:

- (a) with respect to Series 02-1: Class A Available Funds, Class B Available Funds and Class C Available Funds, as applicable;
- (b) with respect to Series 03-1: Class A Available Funds, Class B Available Funds and Class C Available Funds, as applicable;
- (c) with respect to Series 04-1: Class A Available Funds, Class B Available Funds and Class C Available Funds, as applicable;
- (d) with respect to Series 04-2: Class A Available Funds, Class B Available Funds and Class C Available Funds, as applicable;
- (e) with respect to Series 05-1: Class A Available Funds, Class B Available Funds and Class C Available Funds, as applicable;
- (f) with respect to Series 05-2: Class A Available Funds, Class B Available Funds and Class C Available Funds, as applicable;
- (g) with respect to Series 05-3: Class A1 Available Funds, Class A2 Available Funds, Class B1 Available Funds, Class B2 Available Funds, Class C1 Available Funds and Class C2 Available Funds, as applicable;
- (h) with respect to Series 05-4: Class A Available Funds, Class B Available Funds and Class C Available Funds, as applicable.

“Existing Series Class Distribution Ledger” means, in respect of any Existing Series Class the following ledgers as defined pursuant to the terms of such Existing Series:

- (a) with respect to Series 02-1, the Class A Distribution Ledger, Class B Distribution Ledger and Class C Distribution Ledger, as applicable;
- (b) with respect to Series 03-1, the Class A Distribution Ledger, Class B Distribution Ledger and Class C Distribution Ledger, as applicable;
- (c) with respect to Series 04-1, the Class A Distribution Ledger, Class B Distribution Ledger and Class C Distribution Ledger, as applicable;
- (d) with respect to Series 04-2, the Class A Distribution Ledger, Class B Distribution Ledger and Class C Distribution Ledger, as applicable;
- (e) with respect to Series 05-1, the Class A Distribution Ledger, Class B Distribution Ledger and Class C Distribution Ledger, as applicable;
- (f) with respect to Series 05-2, the Class A Distribution Ledger, Class B Distribution Ledger and Class C Distribution Ledger, as applicable;

- (g) with respect to Series 05-3, the Class A1 Distribution Ledger, Class A2 Distribution Ledger, Class B1 Distribution Ledger, Class B2 Distribution Ledger, Class C1 Distribution Ledger and Class C2 Distribution Ledger, as applicable;
- (h) with respect to Series 05-4, the Class A Distribution Ledger, Class B Distribution Ledger and Class C Distribution Ledger, as applicable.

“Existing Series Principal Collections Ledger” means, in respect of any Existing Series Class the Principal Collections Ledger as defined pursuant to the terms of the relevant Existing Series.

“Existing Series Class Required Monthly Finance Amount” means, with respect to any Distribution Date and in respect of any Existing Series:

- (a) **with respect to Series 02-1 Class A:** the aggregate of the Class A Trustee Payment Amount plus any unpaid Class A Trustee Payment Amounts from prior transfer dates, the MTN Issuer Costs Amount, the Class A Monthly Finance Amount, Class A Deficiency Amount, Class A Additional Finance Amount, Class A Servicing Fee and Class A Cash Management Fee and any due and unpaid Class A Servicing Fees or Class A Cash Management Fees from prior transfer dates, Class A Investor Default Amount and Class A Investor Charge-Offs from prior transfer dates; **with respect to Series 02-1 Class B:** the aggregate of the Class B Trustee Payment Amount plus any unpaid Class B Trustee Payment Amounts from prior transfer dates, Class B Monthly Finance Amount, Class B Deficiency Amount, Class B Additional Finance Amount, Class B Servicing Fee and Class B Cash Management Fee and any due and unpaid Class B Servicing Fees or Class B Cash Management Fees from prior transfer dates, Class B Investor Default Amount and Class B Investor Charge-Offs from prior transfer dates; **with respect to Series 02-1 Class C:** the aggregate of the Class C Trustee Payment Amount plus any unpaid Class C Trustee Payment Amounts from prior transfer dates Class C Monthly Finance Amount, Class C Deficiency Amount, Class C Additional Finance Amount, Class C Servicing Fee and Class C Cash Management Fee and any due and unpaid Class C Servicing Fees or Class C Cash Management Fees from prior transfer dates, Class C Investor Default Amount and Class C Investor Charge-Offs from prior transfer dates; in each case as each such term is calculated and defined pursuant to the terms of Series 02-1;
- (b) **with respect to Series 03-1 Class A:** the aggregate of the Class A Trustee Payment Amount plus any unpaid Class A Trustee Payment Amounts from prior transfer dates, the MTN Issuer Costs Amount, the Class A Monthly Finance Amount, Class A Deficiency Amount, Class A Additional Finance Amount, Class A Servicing Fee and Class A Cash Management Fee and any due and unpaid Class A Servicing Fees or Class A Cash Management Fees from prior transfer dates, Class A Investor Default Amount and Class A Investor Charge-Offs from prior transfer dates; **with respect to Series 03-1 Class B:** the aggregate of the Class B Trustee Payment Amount plus any unpaid Class B Trustee Payment Amounts from prior transfer dates, Class B Monthly Finance Amount, Class B Deficiency Amount, Class B Additional Finance Amount, Class B Servicing Fee and Class B Cash Management Fee and any due and unpaid Class B Servicing Fees or Class B Cash Management Fees from prior transfer dates, Class B Investor Default Amount and Class B Investor Charge-Offs from prior transfer dates; **with respect to Series 03-1 Class C:** the aggregate of the Class C Trustee Payment Amount plus any unpaid Class C Trustee Payment Amounts from prior transfer dates Class C Monthly Finance Amount, Class C Deficiency Amount, Class C Additional Finance Amount, Class C Servicing Fee and Class C Cash Management Fee and any due and unpaid Class C Servicing Fees or Class C Cash Management Fees from prior transfer dates, Class C Investor Default Amount and Class C Investor Charge-Offs from prior transfer dates; in each case as each such term is calculated and defined pursuant to the terms of Series 03-1;
- (c) **with respect to Series 04-1 Class A:** the aggregate of the Class A Trustee Payment Amount plus any unpaid Class A Trustee Payment Amounts from prior transfer dates, the MTN Issuer Costs Amount, the Class A Monthly Finance Amount, Class A Deficiency Amount, Class A Additional Finance Amount, Class A Servicing Fee and Class A Cash Management Fee and any due and unpaid Class A Servicing Fees or Class A Cash Management Fees from prior transfer dates, the Class A Investor Default Amount and Class A Investor Charge-Offs from prior transfer dates; **with respect to Series 04-1 Class B:** the aggregate of the Class B Trustee Payment Amount plus any unpaid Class B Trustee Payment Amounts from prior transfer dates, Class B Monthly Finance Amount, Class B Deficiency Amount, Class B Additional Finance Amount, Class B Servicing Fee and Class B Cash Management Fee and any due and

Default Amount and Class B Investor Charge-Offs from prior transfer dates; **with respect to Series 05-2 Class C:** the aggregate of the Class C Trustee Payment Amount plus any unpaid Class C Trustee Payment Amounts from prior transfer dates Class C Monthly Finance Amount, Class C Deficiency Amount, Class C Additional Finance Amount, Class C Servicing Fee and Class C Cash Management Fee and any due and unpaid Class C Servicing Fees or Class C Cash Management Fees from prior transfer dates, Class C Investor Default Amount and Class C Investor Charge-Offs from prior transfer dates; in each case as each such term is calculated and defined pursuant to the terms of Series 05-2;

- (g) **with respect to Series 05-3 Class A1:** the aggregate of the Class A1 Trustee Payment Amount plus any unpaid Class A1 Trustee Payment Amounts from prior transfer dates, the MTN Issuer Costs Amount, the Class A1 Monthly Finance Amount, Class A1 Deficiency Amount, Class A1 Additional Finance Amount, Class A1 Servicing Fee and Class A1 Cash Management Fee and any due and unpaid Class A1 Servicing Fees or Class A1 Cash Management Fees from prior transfer dates, Class A1 Investor Default Amount and Class A1 Investor Charge-Offs from prior transfer dates; **with respect to Series 05-3 Class A2:** the aggregate of the Class A2 Trustee Payment Amount plus any unpaid Class A2 Trustee Payment Amounts from prior transfer dates, the Class A2 Monthly Finance Amount, Class A2 Deficiency Amount, Class A Additional Finance Amount, Class A2 Servicing Fee and Class A2 Cash Management Fee and any due and unpaid Class A2 Servicing Fees or Class A2 Cash Management Fees from prior transfer dates, Class A2 Investor Default Amount and Class A2 Investor Charge-Offs from prior transfer dates; **with respect to Series 05-3 Class B1:** the aggregate of the Class B1 Trustee Payment Amount plus any unpaid Class B Trustee Payment Amounts from prior transfer dates, Class B1 Monthly Finance Amount, Class B1 Deficiency Amount, Class B1 Additional Finance Amount, Class B1 Servicing Fee and Class B1 Cash Management Fee and any due and unpaid Class B1 Servicing Fees or Class B1 Cash Management Fees from prior transfer dates, Class B1 Investor Default Amount and Class B1 Investor Charge-Offs from prior transfer dates; **with respect to Series 05-3 Class B2:** the aggregate of the Class B2 Trustee Payment Amount plus any unpaid Class B2 Trustee Payment Amounts from prior transfer dates, Class B Monthly Finance Amount, Class B2 Deficiency Amount, Class B2 Additional Finance Amount, Class B2 Servicing Fee and Class B2 Cash Management Fee and any due and unpaid Class B2 Servicing Fees or Class B2 Cash Management Fees from prior transfer dates, Class B2 Investor Default Amount and Class B2 Investor Charge-Offs from prior transfer dates; **with respect to Series 05-3 Class C1:** the aggregate of the Class C1 Trustee Payment Amount plus any unpaid Class C1 Trustee Payment Amounts from prior transfer dates Class C1 Monthly Finance Amount, Class C1 Deficiency Amount, Class C1 Additional Finance Amount, Class C1 Servicing Fee and Class C1 Cash Management Fee and any due and unpaid Class C1 Servicing Fees or Class C1 Cash Management Fees from prior transfer dates, Class C1 Investor Default Amount and Class C1 Investor Charge-Offs from prior transfer dates; **with respect to Series 05-3 Class C2:** the aggregate of the Class C2 Trustee Payment Amount plus any unpaid Class C2 Trustee Payment Amounts from prior transfer dates Class C2 Monthly Finance Amount, Class C Deficiency Amount, Class C2 Additional Finance Amount, Class C2 Servicing Fee and Class C2 Cash Management Fee and any due and unpaid Class C2 Servicing Fees or Class C2 Cash Management Fees from prior transfer dates, Class C2 Investor Default Amount and Class C2 Investor Charge-Offs from prior transfer dates; in each case as each such term is calculated and defined pursuant to the terms of Series 05-3;
- (h) **with respect to Series 05-4 Class A:** the aggregate of the Class A Trustee Payment Amount plus any unpaid Class A Trustee Payment Amounts from prior transfer dates, the MTN Issuer Costs Amount, the Class A Monthly Finance Amount, Class A Deficiency Amount, Class A Additional Finance Amount, Class A Servicing Fee and Class A Cash Management Fee and any due and unpaid Class A Servicing Fees or Class A Cash Management Fees from prior transfer dates, Class A Investor Default Amount and Class A Investor Charge-Offs from prior transfer dates; **with respect to Series 05-4 Class B:** the aggregate of the Class B Trustee Payment Amount plus any unpaid Class B Trustee Payment Amounts from prior transfer dates, Class B Monthly Finance Amount, Class B Deficiency Amount, Class B Additional Finance Amount, Class B Servicing Fee and Class B Cash Management Fee and any due and unpaid Class B Servicing Fees or Class B Cash Management Fees from prior transfer dates, Class B Investor Default Amount and Class B Investor Charge-Offs from prior transfer dates; **with respect to Series 05-4 Class C:** the aggregate of the Class C Trustee Payment Amount plus any unpaid Class C Trustee Payment Amounts from prior transfer dates Class C Monthly Finance Amount,

Class C Deficiency Amount, Class C Additional Finance Amount, Class C Servicing Fee and Class C Cash Management Fee and any due and unpaid Class C Servicing Fees or Class C Cash Management Fees from prior transfer dates, Class C Investor Default Amount and Class C Investor Charge-Offs from prior transfer dates; in each case as each such term is calculated and defined pursuant to the terms of Series 05-4;

“**Existing Series Class Required Monthly Finance Amount Shortfall**” means, with respect to any Distribution Date and in respect of any Existing Series Class means the shortfall, if any, in respect of that Existing Series Class in meeting any Existing Series Class Required Monthly Finance Amount for that Existing Series Class pursuant to the terms of the Existing Series and prior to the application of any Class A1 Available Funds and Class A2 Available Funds from the Finance Charge Collections Ledger as specified below.

“**Monthly Loan Expenses Amount**” means, on each transfer date, the amount equal to any monthly interest accrual which is due and payable (including any amount outstanding, if any) under the expenses loan agreement.

“**MTN Issuer Costs Amount**” means the amounts certified by the security trustee as being required to pay the fees, costs and expenses of the MTN Issuer accrued and due and payable on a transfer date. This amount includes the fees, costs and expenses of the security trustee and any receiver appointed pursuant to the security trust deed and MTN Issuer cash management agreement, plus, any fees, costs and expenses remaining unpaid from previous transfer dates including in each case, any part of such fees, costs and expenses as represents VAT (in any).

“**Class A1 Available Funds**” for any monthly period equals the sum of the following amounts credited to the Finance Charge Collections Ledger for that monthly period:

- the Class A1 Floating Allocation of finance charge collections allocated to series 06-1;
- the Class A1 Floating Allocation of Acquired Interchange allocated to series 06-1 (and, such Class A1 Floating Allocation of Acquired Interchange allocated to series 06-1 together with the Class A1 Floating Allocation of finance charge collections allocated to series 06-1, being referred to as the “**Class A1 Available Calculated Amount**”);
- amounts representing Utilised Excess Entitlement Consideration arising on the related transfer date and credited to the Finance Charge Collections Ledger on such transfer date and identified as being referable to Class A1;

The amount of Acquired Interchange allocated to series 06-1 for any monthly period will be the product of the Acquired Interchange and the Floating Investor Percentage. This allocated Acquired Interchange will be credited to the Finance Charge Collections Ledger.

The “**Series 06-1 Distribution Account**” is a bank account in the name of the MTN Issuer that will be used to deposit amounts distributed to the MTN Issuer for the series 06-1 investor certificates from the receivables trust.

The “**Class A1 servicing fee**” is that portion of the servicing fee attributable to Class A1 (on a *pro rata* basis). The “**Class A1 cash management fee**” is that portion of the trust cash management fee attributable to Class A1 (on a *pro rata* basis).

The “**Class A1 Distribution Ledger**” is a ledger for Class A1 in the Trustee Collection Account. See “– Distribution Ledgers”.

Class A2 Investor Interest

To understand the calculations and information delivered by the receivables trustee regarding the amount of finance charge collections distributable to the MTN Issuer that for the purposes of calculation is treated as referable to Class A2 on any transfer date, you need to understand the following definitions and cash flows.

The “**Class A2 Monthly Required Expense Amount**” for any transfer date will be the sum of the following items:

- an amount equal to the Class A2 Trustee Payment Amount plus any unpaid Class A2 Trustee Payment Amount from previous transfer dates; see “– Trustee Payment Amount”;
- a *pro rata* proportion (based upon the proportion of Class A2 Investor Interest to Class A Investor Interest) of the MTN Issuer Costs Amount;

- a *pro rata* proportion (based upon the proportion of the Class A2 Investor Interest to the Class A Investor Interest) of any Existing Series Aggregate Required Monthly Finance Amount Shortfall calculated for that transfer date; **plus**
- the Class A2 Monthly Finance Amount;
- the Class A2 Deficiency Amount;
- the Class A2 Additional Finance Amount; and
- a *pro rata* proportion (based upon the proportion of Class A2 Investor Interest to Class A Investor Interest) of the Monthly Loan Expenses Amount.

“Class A2 Monthly Finance Amount” means the amount calculated as follows:

$$\frac{\text{Days in Calculation Period}}{365 \text{ (366 in a leap year)}} \times \text{The Class A2 Finance Rate} \times \text{The Class A2 Debt Amount}$$

The “Class A2 Finance Rate” for any Calculation Period will be the screen rate, or the arithmetic mean calculated to replace the screen rate, (a) in respect of the first Calculation Period, the linear interpolation of 2-month and 3-month sterling LIBOR as set on the closing date; and (b) in respect of subsequent Calculation Periods, one-month sterling LIBOR, in each case for pounds sterling in the London interbank market, plus 2.45 per cent.

“Class A2 Deficiency Amount” is the excess, if any, of the Class A2 Monthly Required Expense Amount for the prior transfer date – disregarding for this purpose the Class A2 Trustee Payment Amount and the MTN Issuer Costs Amount – over the funds referable to Class A1 actually credited to the Class A2 Distribution Ledger for payment of the Class A2 Monthly Required Expense Amount on that transfer date.

“Class A2 Additional Finance Amount” means the amount calculated as follows:

$$\frac{\text{Days in Calculation Period}}{365 \text{ (366 in a leap year)}} \times \text{The Class A2 Finance Rate plus 2 per cent.} \times \text{Any unpaid Class A2 Deficiency Amount on the prior transfer date}$$

“Class A2 Debt Amount” means the Class A2 Initial Investor Interest minus the total principal payments made to the MTN Issuer referable to the Class A2 Investor Interest from the property of the receivables trust. On the series 06-1 termination date, the Class A2 Debt Amount will be zero.

“Class A2 Available Funds” for any monthly period equals the sum of the following amounts credited to the Finance Charge Collections Ledger for that monthly period:

- the Class A2 Floating Allocation of finance charge collections allocated to series 06-1;
- the Class A2 Floating Allocation of Acquired Interchange allocated to series 06-1 (and, such Class A2 Floating Allocation of Acquired Interchange allocated to series 06-1 together with the Class A2 Floating Allocation of finance charge collections allocated to series 06-1, being referred to as the “Class A2 Available Calculated Amount”);
- amounts representing Utilised Excess Entitlement Consideration arising on the related Transfer Date and credited to the Finance Charge Collections Ledger on such Transfer Date and identified as being referable to Class A2;

The amount of Acquired Interchange allocated to series 06-1 for any monthly period will be the product of the Acquired Interchange and the Floating Investor Percentage. This allocated Acquired Interchange will be credited to the Finance Charge Collections Ledger.

The “Class A2 servicing fee” is that portion of the servicing fee attributable to Class A2 (on a *pro rata* basis). The “Class A2 cash management fee” is that portion of the trust cash management fee attributable to class A2 (on a *pro rata* basis).

The “Class A2 Distribution Ledger” is a ledger for class A2 in the Trustee Collection Account. See “– Distribution Ledgers”.

Application of Class A1 Available Funds and Class A2 Available Funds

On each transfer date, the receivables trustee will withdraw the Class A1 Available Funds and Class A2 Available Funds from the Finance Charge Collections Ledger and such amounts will be distributed in the following order:

- (1) first, *pari passu* and *pro rata* between:
 - (a) the Class A1 Trustee Payment Amount plus any unpaid Class A1 Trustee Payment Amounts from prior transfer dates will be used by the receivables trustee to satisfy the Trustee Payment Amounts;
 - (b) the Class A2 Trustee Payment Amount plus any unpaid Class A2 Trustee Payment Amounts from prior transfer dates will be used by the receivables trustee to satisfy the Trustee Payment Amounts;
- (2) second, *pari passu* and *pro rata* between:
 - (a) a *pro rata* proportion (based upon the proportion that Class A1 Investor Interest bears to the Class A Investor Interest) of the MTN Issuer Costs Amount will be credited to the Class A1 Distribution Ledger;
 - (b) a *pro rata* proportion (based upon the proportion that Class A2 Investor Interest bears to the Class A Investor Interest) of the MTN Issuer Costs Amount will be credited to the Class A2 Distribution Ledger;
- (3) third, *pro rata* and *pari passu* between:
 - (a) the Class A1 servicing fee and Class A1 cash management fee and any due and unpaid Class A1 servicing fees or Class A1 cash management fees from prior transfer dates will be distributed to the servicer or trust cash manager, as applicable;
 - (b) the Class A2 servicing fee and Class A2 cash management fee and any due and unpaid Class A2 servicing fees or Class A2 cash management fees from prior transfer dates will be distributed to the servicer or trust cash manager, as applicable;
- (4) fourth, an amount required to make up any Existing Series Aggregate Required Monthly Finance Amount Shortfall on such Transfer Date (applying funds *pro rata* and *pari passu* to each such Existing Series Class Required Monthly Finance Amount Shortfall comprising the Existing Series Aggregate Required Monthly Finance Amount Shortfall);
- (5) fifth, *pro rata* and *pari passu* between:
 - (a) the sum of the Class A1 Monthly Finance Amount, the Class A1 Deficiency Amount and the Class A1 Additional Finance Amount will be credited to the Class A1 Distribution Ledger;
 - (b) the sum of the Class A2 Monthly Finance Amount, the Class A2 Deficiency Amount and the Class A2 Additional Finance Amount will be credited to the Class A2 Distribution Ledger;
- (6) sixth, *pro rata* and *pari passu* between:
 - (a) an amount equal to the *pro rata* proportion (based upon the proportion of the Class A1 Investor Interest to the Class A Investor Interest) of the Monthly Loan Expenses Amount will be credited to the Class A1 Distribution Ledger;
 - (b) an amount equal to the *pro rata* proportion (based upon the proportion of the Class A2 Investor Interest to the Class A Investor Interest) of the Monthly Loan Expenses Amount will be credited to the Class A2 Distribution Ledger;
- (7) seventh, *pro rata* and *pari passu* between:
 - (a) an amount equal to the Class A1 Investor Default Amount will be allocated to Class A1 and treated as a portion of Investor Principal Collections and credited to the Principal Collections Ledger; and
 - (b) an amount equal to the Class A2 Investor Default Amount will be allocated to Class A2 and treated as a portion of Investor Principal Collections and credited to the Principal Collections Ledger;
- (8) eighth, the balance – called (*pro rata* and *pari passu*) “Class A1 Excess Spread” and “Class A2 Excess Spread”, respectively – will be part of Excess Spread and will be allocated (*pro rata* and *pari passu*) as described in “– Excess Spread”.

The aggregate of all the amounts calculated as being required to be paid (whether or not so paid) under items (1) through (8) (inclusive) are referred to as the “Transfer Date Required Amounts”.

One each Distribution Date, all amounts credited to the Class A1 Distribution Ledger or Class A2 Distribution Ledger, as applicable, for the amounts in (2) and (5) above will be deposited into the Series 06-1 Distribution Account. The aggregate of the amounts in (2)(a) and (5)(a) above is called the “Class A1 Monthly Distribution Amount”. The aggregate of the amounts in (2)(b) and (5)(b) above is called the “Class A2 Monthly Distribution Amount”.

Revolving Period

The “Revolving Period” for series 06-1 is the period from the closing date to the start of any Partial Amortisation Period (and prior to re-commencement of the Revolving Period following any such Partial Amortisation Period) or, if earlier, the start of the Rapid Amortisation Period or the Regulated Amortisation Period.

During the Revolving Period, principal collections calculated as referable daily to the Class A Investor Interest will be used by the receivables trustee on the transfer date for the monthly period as Shared Principal Collections to the extent they are not used as Reallocated Class A Principal Collections and, to the extent not used as Shared Principal Collections, to make payments to the transferor on the transfer date:

- to accept new offers of receivables made by the transferor to the receivables trustee, and
- to make payments to the transferor for future receivables assigned by the transferor to the receivables trustee by offers that have already been made and accepted.

Regulated Amortisation Period

A “Regulated Amortisation Period” will start on the day, if there is one, that any of the following Series 06-1 Pay Out Events occur, each of which we refer to as a “Regulated Amortisation Trigger Event”:

- the average Portfolio Yield for any three consecutive monthly periods is less than the average Expense Rate for such period or, on any determination date before the end of the third monthly period from the closing date, the Portfolio Yield is less than average Expense Rate for that period; or
- either:
 - (1) over any period of thirty consecutive days, the Transferor Interest averaged over that period is less than the Minimum Transferor Interest for that period and the Transferor Interest does not increase on or before the tenth business day following that thirty day period to an amount such that the average of the Transferor Interest as a percentage of the Average Principal Receivables for such thirty day period, computed by assuming that the amount of the increase of the Transferor Interest by the last day of that ten business day period, as compared to the Transferor Interest on the last day of the thirty day period, would have existed in the receivables trust during each day of the thirty day period, is at least equal to the Minimum Transferor Interest; or
 - (2) on the last day of any monthly period the total balance of eligible principal receivables is less than the Minimum Aggregate Principal Receivables, adjusted for any series having a Companion Series as described in the supplement for that series and the Companion Series, and the total balance of eligible principal receivables fails to increase to an amount equal to or greater than the Minimum Aggregate Principal Receivables on or before the tenth business day following that last day

Provided however that the commencement of the Regulated Amortisation Period shall be postponed until such time as the Investor Interest for each Existing Series is reduced to zero.

The Regulated Amortisation Period will continue until the earlier of:

- the start of the Rapid Amortisation Period; and
- the series 06-1 termination date.

During the Regulated Amortisation Period the amount of principal collections allocated to the Investor Interest for series 06-1, up to the Controlled Deposit Amount, will be paid each month to the MTN Issuer for the Class A Investor Interest until the series 06-1 termination date. Any

principal collections allocated to the Investor Interest for series 06-1 over the Controlled Deposit Amount paid to the MTN Issuer will be used by the receivables trustee first as Shared Principal Collections and then to make payments to the transferor as described above under “– *Revolving Period*”.

“**Controlled Deposit Amount**” shall mean for any transfer date with respect to any Partial Amortisation Period or Regulated Amortisation Period prior to the payment in full of the Series 06-1 Investor Interest, an amount equal to $\frac{1}{12}$ of the Investor Interest at the beginning of the Partial Amortisation Period at Regulated Amortisation Period which is then continuing or, if greater, the Maximum Controlled Deposit Amount;

Partial Amortisation Period

The “**Partial Amortisation Period**” will commence on the occurrence of a Partial Amortisation Commencement Date and will subsist until the re-commencement of the Revolving Period pursuant to the terms of the Series 06-1 Supplement. “**Partial Amortisation Commencement Date**” means any of: (a) the Transfer Date upon which the Series 02-1 Investor Interest would be reduced to zero; (b) the Transfer Date upon which the Series 03-1 Investor Interest would be reduced to zero; (c) the Transfer Date upon which the Series 04-2 Investor Interest would be reduced to zero; (d) the Transfer Date upon which the Series 04-1 Investor Interest would be reduced to zero; (e) the Transfer Date upon which the Series 05-1 Investor Interest would be reduced to zero; (f) the Transfer Date upon which the Series 05-2 Investor Interest would be reduced to zero; (g) the Transfer Date upon which the Series 05-3 Investor Interest would be reduced to zero; (h) the Transfer Date upon which the Series 05-4 Investor Interest would be reduced to zero; provided in each case that the Servicer has given notice to the Receivables Trustee in accordance with the Series 06-1 Supplement that the relevant Partial Amortisation Period will commence.

Subject to the terms and conditions of the Series 06-1 Supplement, each time a Partial Amortisation Period commences in order to effect a reduction in the Series 06-1 Investor Interest (such decrease being referred to as a “**Partial Amortisation**”), the Revolving Period shall be suspended for the duration of that Partial Amortisation Period and shall re-commence at the end of that Partial Amortisation Period unless (1) the Series 06-1 Investor Interest is reduced to zero by such Partial Amortisation, or (2) the Regulated Amortisation period or the Rapid Amortisation Period has commenced prior to the end of that Partial Amortisation Period.

Prior to the commencement of any Partial Amortisation Period, the Servicer shall advise the Receivables Trustee of the commencement of the Partial Amortisation Period by giving notice to the Receivables Trustee specifying:

- (1) the Partial Amortisation Amount (as defined below) in respect of the Series 06-1 Investor Interest to which the relevant Partial Amortisation Period applies, provided however that the Partial Amortisation Amount shall not exceed the Maximum Controlled Deposit Amount;
- (2) the Distribution Date upon which reductions of the Series 06-1 Investor Interest pursuant to such Partial Amortisation are scheduled to begin (for the purposes of this Clause 5.22, the “**specified Distribution Date**”); the specified Distribution Date may occur on the first Transfer Date on which the Partial Amortisation Period commences.

Commencing on the specified Distribution Date, the Receivables Trustee shall utilise Trust Property on each Distribution Date to make a distribution to the Series 06-1 Investor Beneficiary in respect of the Partial Amortisation Amount in accordance with the Series 06-1 Supplement, and such amount shall in turn be utilised by the Series 06-1 Investor to repay in part the series 06-1 medium term note certificate.

During any Partial Amortisation Period, the Series 06-1 Investor Interest will be subject to partial amortisation by reference to the then applicable Partial Amortisation Amount. “**Partial Amortisation Amount**” for any transfer date means the sum of the following amounts in respect of each of Class A1 and Class A2:

- (a) on or following any date upon which the Investor Interest in respect of Series 02-1 is reduced to zero: €6,911,143 in respect of Class A1 and £8,235,778 in respect of Class A2; plus
- (b) on or following any date upon which the Investor Interest in respect of Series 03-1 is reduced to zero: €6,840,697 in respect of Class A1 and £8,151,831 in respect of Class A2; plus
- (c) on or following any date upon which the Investor Interest in respect of Series 04-1 is reduced to zero: €4,341,446 in respect of Class A1 and £5,173,556 in respect of Class A2; plus

- (d) on or following any date upon which the Investor Interest in respect of Series 04-2 is reduced to zero: €4,353,179 in respect of Class A1 and £5,187,539 in respect of Class A2; plus
- (e) on or following any date upon which the Investor Interest in respect of Series 05-1 is reduced to zero: €8,856,196 in respect of Class A1 and £10,553,634 in respect of Class A2; plus
- (f) on or following any date upon which the Investor Interest in respect of Series 05-2 is reduced to zero: €8,753,914 in respect of Class A1 and £10,431,747 in respect of Class A2; plus
- (g) on or following any date upon which the Investor Interest in respect of Series 05-3 is reduced to zero: €13,676,811 in respect of Class A1 and £16,298,200 in respect of Class A2; plus
- (h) on or following any date upon which the Investor Interest in respect of Series 05-4 is reduced to zero: €6,266,614 in respect of Class A1 and £7,467,715 in respect of Class A2; minus
- (i) any amounts previously allocated to the Series 06-1 Investor Beneficiary as a Partial Amortisation Amount for any previous transfer date pursuant to Clause 5.11(b)

and provided, however, that for any transfer date for which the result of the above calculation results in an amount which exceeds the then Series 06-1 Class A Investor Interest or the Maximum Controlled Deposit Amount, to the extent of any such excess, such calculated amount shall be reduced *pro rata* such that the “**Partial Amortisation Amount**” for such transfer date is equal to the lesser of the Maximum Controlled Deposit Amount or the Series 06-1 Class A Investor Interest, as applicable)

Rapid Amortisation Period

A “**Rapid Amortisation Period**” will start on the first day of the monthly period next following the day on which any Pay Out Event other than a Regulated Amortisation Trigger Event occurs, provided also that a Pay Out Commencement Date has occurred.

The Rapid Amortisation Period will continue until the earlier of:

- the series 06-1 termination date; or
- the dissolution of the receivables trust following the occurrence of an Insolvency Event; see “*The Receivables Trust: Trust Pay Out Events*”.

During the Rapid Amortisation Period, principal collections allocable to the Investor Interest of series 06-1 will be paid each month to the MTN Issuer for the Class A Investor Interest until the series 06-1 termination date.

The “**series 06-1 termination date**” is the earlier of the Distribution Date on which the Investor Interest has been reduced to zero and the October, 2012 Distribution Date.

Allocation, Calculation and Distribution of Principal Collections to the MTN Issuer

During the Revolving Period, principal collections will be allocated to the Investor Interest on the basis of the Floating Investor Percentage. During the Regulated Amortisation Period, any Partial Amortisation Period and the Rapid Amortisation Period, principal collections will be allocated to the Investor Interest on the basis of the Fixed Investor Percentage. The amount of principal collections allocated to the Investor Interest at any time will be credited to the Principal Collections Ledger for series 06-1. The principal collections credited to the Principal Collections Ledger from time to time that will be allocated to the MTN Issuer will be:

- during the Revolving Period, equal to the total of the floating allocations for each class;
- during the Partial Amortisation Period, Regulated Amortisation Period and the Rapid Amortisation Period, equal to the total of the fixed allocations for each class.

“**Fixed Investor Percentage**” means, for any monthly period, the following calculation expressed as a percentage:

$$\frac{A}{\text{the greater of B or C}}$$

Where:

A = the Investor Interest calculated at close of business on the last day of the Revolving Period;

B = the total balance of eligible principal receivables in the receivables trust plus the Unavailable principal Collections standing to the credit of the Principal Collections Ledger; and

C = the sum of the numerators used to calculate the fixed investor percentages for all outstanding series.

Items B and C above will be calculated for any monthly period as of the last day of the prior monthly period. For the first monthly period, they will be calculated as of the closing date. The Fixed Investor Percentage will never exceed 100 per cent.

Notwithstanding the above, for a monthly period in which an addition date occurs, B in the fraction used to calculate the Fixed Allocation Percentage above will be:

- for the period from the first day of the monthly period to the addition date, the total balance of eligible principal receivables in the receivables trust plus the Unavailable Principal Collections standing to the credit of the Principal Collections Ledger at the close of business on the last day of the prior monthly period; and
- for the period from the addition date to the last day of the monthly period, the total balance of eligible principal receivables in the receivables trust plus the Unavailable Principal Collections standing to the credit of the Principal Collections Ledger on the addition date, taking into account the eligible principal receivables added to the receivables trust.

If in any monthly period the Investor Interest would be zero if the payments to be made on the Distribution Date during that monthly period were made on the last day of the prior monthly period, the Fixed Investor Percentage will be zero.

The “Class A1 Fixed Allocation” and “Class A2 Fixed Allocation” will each be calculated the same way and will be equal to, for each notional class and for any monthly period after the end of the Revolving Period, the following fraction expressed as a percentage:

$$\frac{\text{Investor Interest for the relevant notional class}}{\text{Investor Interest}}$$

This percentage, never to exceed 100 per cent., will be calculated using these amounts on the close of business on the last day of the Revolving Period.

On each business day during the Revolving Period which is not a transfer date, the Reinvested Investor Principal Collections for that day will be distributed in the following priority:

- the Reinvested Investor Principal Collections will be applied as Shared Principal Collections and allocated to other outstanding series in group one; see “– Shared Principal Collections”; and
- the balance remaining will be applied as Investor Cash Available for Acquisition in the manner described in “The Receivables Trust: Acquiring Additional Entitlements to Trust Property and Payments for Receivables”.

“Reinvested Investor Principal Collections” means, for any business day:

- principal collections credited to the Principal Collections Ledger identified for series 06-1, after adjustments for Unavailable Principal Collections during any Partial Amortisation Period, the Regulated Amortisation Period and the Rapid Amortisation Period – for any day called the “**Daily Investor Principal Collections**”, minus
- an amount equal to the product of the Class A Floating Allocation and the Daily Investor Principal Collections.

“Available Investor Principal Collections” means, for any monthly period:

- the Investor Principal Collections; minus
- the Investor Cash Available for Acquisition that has been calculated as being available to be used during that monthly period; minus
- the Reallocated Class A Principal Collections that are required to fund the Class A Reallocated Principal Required Amount; plus
- the Shared Principal Collections from other series in group one that are allocated to series 06-1; plus
- for a monthly period in which the Rapid Amortisation Period starts, any previously identified Investor Cash Available for Acquisition that was not used to acquire receivables.

“Investor Principal Collections” means, for any monthly period, the sum of:

- principal collections credited to the Principal Collections Ledger identified for series 06-1, after adjustments for Unavailable Principal Collections during the Partial Amortisation Period, the Regulated Amortisation Period and the Rapid Amortisation Period; plus
- amounts treated as Investor Principal Collections up to the Class A1 Investor Default Amount and distributed out of Class A1 Available Funds and Excess Spread; plus
- amounts treated as Investor Principal Collections up to the Class A2 Investor Default Amount and distributed out of Class A2 Available Funds and Excess Spread; plus
- Excess Spread treated as Investor Principal Collections used to reimburse Class A1 Investor Charge-Offs and Class A2 Investor Charge-Offs; plus
- Unavailable Principal Collections credited to the Principal Collections Ledger and to be treated as Investor Principal Collections; see “– *Unavailable Principal Collections*”.

On each transfer date for the Controlled Accumulation Period, any Partial Amortisation Period, the Regulated Amortisation Period or the Rapid Amortisation Period, the receivables trustee will withdraw the Class A Monthly Principal Amount from the Principal Collections Ledger and:

- for a transfer date during the Rapid Amortisation Period, any Partial Amortisation Period or Regulated Amortisation Period, credit it, *pro rata* and *pari passu*, to the Class A1 Distribution Ledger and the Class A2 Distribution Ledger.

The “Class A1 Monthly Principal Amount” is the least of:

- a *pro rata* proportion (based upon the proportion that Class A1 Investor Interest bears to Class A Investor Interest) of the Available Investor Principal Collections standing to the credit of the Principal Collections Ledger on that transfer date;
- for each transfer date for any Partial Amortisation Period or the Regulated Amortisation Period before the series 06-1 scheduled redemption date, the Partial Amortisation Amount or the Controlled Deposit Amount respectively for that transfer date; and
- the Investor Interest – adjusted to account for any unreimbursed Class A1 Investor Charge-Offs.

The “Class A2 Monthly Principal Amount” is the least of:

- a *pro rata* proportion (based upon the proportion that Class A2 Investor Interest bears to Class A Investor Interest) of the Available Investor Principal Collections standing to the credit of the Principal Collections Ledger on that transfer date;
- for each transfer date for any Partial Amortisation Period or the Regulated Amortisation Period before the series 06-1 scheduled redemption date, the Partial Amortisation Amount or the Controlled Deposit Amount respectively for that transfer date; and
- the Investor Interest – adjusted to account for any unreimbursed Class A2 Investor Charge-Offs.

Together, the Class A1 Monthly Principal Amount and the Class A2 Monthly Principal Amount are referred to as the “Class A Monthly Principal Amount”.

On the earlier of (1) the first Distribution Date during any Partial Amortisation Period, or the Regulated Amortisation Period and (2) the series 06-1 scheduled redemption date, and on each Distribution Date after that, the receivables trustee will distribute the following amounts in the following priority:

- (1) from the Class A1 Distribution Ledger an amount equal to the lesser of:
 - the amount credited to the Class A1 Distribution Ledger; and
 - the Class A1 Investor Interest (or, during any Partial Amortisation Period, the Partial Amortisation Amount), after taking into account the amounts described in clause (1) above;

will be deposited to the Series 06-1 Distribution Account for Class A1 and will be owned by the MTN Issuer. The MTN Issuer will use this amount to repay principal outstanding on the series 06-1 medium term note certificate;

- (2) from the Class A2 Distribution Ledger an amount equal to the lesser of:

- the amount credited to the Class A2 Distribution Ledger; and

- the Class A2 Investor Interest (or, during any Partial Amortisation Period, the Partial Amortisation Amount), after taking in account the amounts described in clause (1) above;

will be deposited to the Series 06-1 Distribution Account for Class A2 and will be owned by the MTN Issuer. The MTN Issuer will use this amount to repay principal outstanding on the series 06-1 medium term note certificate;

Unavailable Principal Collections

If:

- during any Partial Amortisation Period or the Regulated Amortisation Period, the amount credited to the Principal Collections Ledger identified for series 06-1 during any monthly period minus the amount of Investor Cash Available for Acquisition calculated for series 06-1 for that monthly period, exceeds the Investor Interest as of the last day of the prior monthly period, any unreimbursed Investor Charge-Offs for any class and any other adjustments to the Investor Interest for that monthly period; or
- during the Rapid Amortisation Period, the amount credited to the Principal Collections Ledger identified for series 06-1 during any monthly period exceeds the Investor Interest as of the last day of the prior monthly period, after taking into account any deposits to be made to the Series 06-1 Distribution Account on the transfer date for that monthly period, any unreimbursed Investor Charge-Offs for any Class and any other adjustments to the Investor Interest for that monthly period;

the amount of any excess will be allocated and transferred to the transferor beneficiary only to the extent that the Transferor Interest on that date is greater than zero. If the Transferor Interest on that date is not greater than zero, the amount will be identified as unavailable transferor principal collections credited to the Principal Collections Ledger. This sum, together with any unavailable investor principal collections that have been credited to the Principal Collections Ledger, will be identified as “**Unavailable Principal Collections**”. Unavailable investor principal collections are principal collections identified for the transferor beneficiary but not transferred to the transferor beneficiary because the Transferor Interest at the relevant date is not greater than zero.

Unavailable Principal Collections will, to the extent they arise during the Revolving Period, be allocated to the transferor beneficiary but will be transferred to the transferor beneficiary only if and to the extent that the Transferor Interest at that time is greater than zero. On each transfer date for any Partial Amortisation Period, Regulated Amortisation Period or the Rapid Amortisation Period, any Unavailable Principal Collections which arise after the end of the Revolving Period which are credited to the Principal Collections Ledger will be allocated to the investor beneficiary and included as Investor Principal Collections to be distributed as Available Investor Principal Collections.

Shared Principal Collections

Principal collections for any monthly period allocated to the Investor Interest of series 06-1 will first be used to cover:

- during any Partial Amortisation Period or the Regulated Amortisation Period, deposits of the Controlled Deposit Amount or Partial Amortisation Amount as applicable, to the Series 06-1 Distribution Account for series 06-1; and
- on the series 06-1 scheduled redemption date and during the Rapid Amortisation Period, payments to the MTN Issuer for series 06-1.

The receivables trustee will determine the amount of principal collections for any monthly period allocated to the Investor Interest remaining after covering required distributions to the MTN Issuer for each class of series 06-1 and any similar amount remaining for any other outstanding series in group one. These remaining principal collections are called “**Shared Principal Collections**”. The receivables trustee will allocate the Shared Principal Collections to cover any scheduled or permitted principal distributions to beneficiaries for any series in group one that have not been covered out of the principal collections allocable to that series. These uncovered principal distributions and deposits are called “**Principal Shortfalls**”. Unlike Class A Reallocated Principal Required Amounts, Shared Principal Collections will not be used to cover investor charge-offs for any Class of any series.

If Principal Shortfalls exceed Shared Principal Collections for any monthly period, Shared Principal Collections will be allocated in proportion among the outstanding series in group one based on the amounts of Principal Shortfalls for each series. To the extent that Shared Principal Collections exceed Principal Shortfalls, the balance will in the normal course be paid to the transferor beneficiary.

Defaulted Receivables; Investor Charge-Offs

On each transfer date, the receivables trustee will calculate the Investor Default Amount for the previous monthly period. The “**Investor Default Amount**” will be the total of, for each defaulted account, the product of the Floating Investor Percentage and the default amount.

The “default amount” for any defaulted account will be the amount of eligible principal receivables in the defaulted account on the day the account became a defaulted account.

The Investor Default Amount will be calculated for each notional class of series 06-1 based on its floating allocation during the monthly period. These allocations will be called the “**Class A1 Investor Default Amount**” and the “**Class A2 Investor Default Amount**” (together, the Class A1 Investor Default Amount and the Class A2 Investor Default Amount are called the “**Class A Investor Default Amount**”).

The “**Class A1 Required Amount**” for any transfer date will be the amount, if any, by which the sum of:

- the Class A1 Monthly Required Expense Amount;
- the total amount of the Class A1 servicing fee and the Class A1 cash management fee for the prior monthly period and any due and unpaid Class A1 servicing fees and Class A1 cash management fees; and
- the Class A1 Investor Default Amount,

exceeds the Class A1 Available Funds.

The “**Class A2 Required Amount**” for any transfer date will be the amount, if any, by which the sum of:

- the Class A2 Monthly Required Expense Amount;
- the total amount of the Class A2 servicing fee and the Class A2 cash management fee for the prior monthly period and any due and unpaid Class A2 servicing fees and Class A2 cash management fees; and
- the Class A2 Investor Default Amount,

exceeds the Class A2 Available Funds.

Together, the Class A1 Required Amount and the Class A2 Required Amount are called the “**Class A Required Amount**”.

On each transfer date, if the Class A Investor Default Amount for the prior monthly period exceeds the Excess Spread available to cover the Class A Investor Default Amount, the Class A Investor Interest will be reduced by the amount of the excess, but not by more than the remaining Class A Investor Default Amount. In addition, the Class A Investor Interest will be reduced by the amount of any Reallocated Class A Principal Collections. As between Class A1 and Class A2, such reductions will be applied *pro rata* as between the Class A1 Investor Interest and the Class A2 Investor Interest based upon the proportion that each bears to the Class A Investor Interest). This is called the “**Class A Investor Charge-Off**” and may have the effect of slowing or reducing the return of principal to the MTN Issuer calculated in respect of the Class Investor Interest.

Reallocated Class A Principal Collections

On each transfer date, prior to the Pay Out Commencement Date, the principal collections allocable to the Class A Investor Interest for the related monthly period will be available to make payments in respect of the Class A Reallocated Principal Required Amount (if any). The amount of principal collections used are referred to as Reallocated Class A Principal Collections. Reallocated Class A Principal Collections will make the distributions required in respect of the Class A Reallocated Principal Required Amount in the same order of priority as Class A Available Funds are applied. Reallocated Class A Principal Collections will reduce the Class A1 Investor Interest by the amount of Reallocated Class A2 Principal Collections.

“**Class A Reallocated Principal Required Amount**” means an amount equal to the excess (if any) of the aggregate of the amounts required to make the distributions in items (1), (2), (3) and (4) of the application of Class A1 Available Funds and Class A2 Available Funds over the aggregate of Class A1 Available Funds and Class A2 Available Funds.

“**Reallocated Class A Principal Collections**” means, for any transfer date, the principal collections allocable to the Class A Investor Interest for the related monthly period in an amount not to exceed the Class A Reallocated Principal Required Amount. Reallocated Class A Principal Collections cannot exceed the Class A Investor Interest after giving effect to any unreimbursed Class A Investor Charge-Offs. Reallocated Class A Principal Collections represent a Class A Investor Charge-Off and will reduce the Class A Investor Interest.

“**Reallocated Class A1 Principal Collections**” means the *pro rata* proportion of the Reallocated Class A Principal Collections allocable to the Class A1 Investor Interest based upon the proportion that the Class A1 Investor Interest bears to the Class A Investor Interest.

“**Reallocated Class A2 Principal Collections**” means the *pro rata* proportion of the Reallocated Class A Principal Collections allocable to the Class A2 Investor Interest based upon the proportion that the Class A2 Investor Interest bears to the Class A Investor Interest.

Excess Spread

“**Excess Spread**” for any transfer date will be the sum of Class A1 Excess Spread and Class A2 Excess Spread.

On each transfer date, the receivables trustee will apply Excess Spread to make the following distributions in the following priority:

- (1) an amount equal to the aggregate of the Class A1 Required Amount and the Class A2 Required Amount, if any, will be used to fund, *pro rata* and *pari passu*, the Class A1 Required Amount and the Class A2 Required Amount; if the aggregate of the Class A1 Required Amount and the Class A2 Required Amount is more than the amount of Excess Spread, Excess Spread will be applied, *pro rata* and *pari passu*, in the order of priority in which Class A1 Available Funds and Class A2 Available Funds are to be distributed;
- (2) an amount equal to the aggregate amount of Class A1 Investor Charge-Offs and Class A2 Investor Charge-Offs that have not been previously reimbursed will be used *pro rata* and *pari passu*, to reinstate the Class A1 Investor Interest and the Class A2 Investor Interest, treated as a portion of Investor Principal Collections allocated to Class A1 and Class A2, respectively, and credited to the Principal Collections Ledger;
- (3) on each Distribution Date prior to the Class A Release Date, if the available amount on deposit in the Spread Account is less than the Required Spread Account Amount, an amount up to any excess will be deposited into the Spread Account;
- (4) an amount equal to any Aggregate Investor Indemnity Amount for series 06-1 will be paid to the transferor and will then cease to be property of the receivables trust;
- (5) the Series 06-1 Extra Amount will be paid into the Series 06-1 Distribution Account and will be owned by the MTN Issuer;
- (6) an amount equal to the principal calculated as being due and re-payable on the Distribution Date relating to that transfer date in accordance with the expenses loan agreement will be paid into the Series 06-1 Distribution Account; and
- (7) the balance, if any, after giving effect to the payments made under paragraphs (1) through (6) above will be paid to the MTN Issuer as assignee of the excess interest beneficiary and will then cease to be property of the receivables trust.

The sum of the amounts calculated as being required to be paid under items (1) through (6) (inclusive) above (whether or not so paid) along with the Transfer Date Required Amount are together referred to in aggregate as the “**Aggregate Transfer Date Required Amount**”.

Extra Amount

The “**Series 06-1 Extra Amount**” is calculated as follows:

- for any transfer date where the Series 06-1 Investor Interest is less than or equal to £250,000,000, an amount equal to:

$$\frac{\text{Days in the relevant Calculation Period}}{365 \text{ (366 in a leap year)}} \times 0.02 \text{ per cent. (or such lesser percentage as may be agreed by the Receivables Trustee and the Transferor, subject to the consent of the Series 06-1 Investor Beneficiary)} \times \text{the Investor Interest}$$

- for any transfer date where the Series 06-1 Investor Interest is greater than or equal to £250,000,000, an amount equal to the aggregate of A plus B, where:

A =

$$\frac{\text{Days in the relevant Calculation Period}}{365 \text{ (366 in a leap year)}} \times 0.02 \text{ per cent. (or such lesser percentage as may be agreed by the Receivables Trustee and the Transferor, subject to the consent of the Series 06-1 Investor Beneficiary)} \times £250,000,000$$

B =

$$\frac{\text{Days in the relevant Calculation Period}}{365 \text{ (366 in a leap year)}} \times 0.002 \text{ per cent. (or such lesser percentage as may be agreed by the Receivables Trustee and the Transferor, subject to the consent of the Series 06-1 Investor Beneficiary)} \times (\text{Investor Interest} - £250,000,000)$$

Aggregate Investor Indemnity Amount

By each transfer date, the receivables trustee will calculate the Aggregate Investor Indemnity Amount for each outstanding series. The “**Aggregate Investor Indemnity Amount**” is the sum of all Investor Indemnity Amounts for the related monthly period.

An “**Investor Indemnity Amount**” means for any series, the amount of any Transferor Section 75 Liability claimed from the receivables trustee by the transferor under the trust section 75 indemnity allocated to that series, calculated as follows:

$$\text{Transferor Section 75 Liability} \times \text{Floating Investor Percentage for that series}$$

The “**Transferor Section 75 Liability**” is the liability that the transferor has for any designated account because of Section 75 of the Consumer Credit Act. The Transferor Section 75 Liability cannot exceed the original outstanding face amount of the principal receivable relating to the transaction giving rise to the liability. See “*Risk Factors: Application of the Consumer Credit Act 1974 May Impede Collection Efforts and Could Cause Early Redemption of the notes or a Loss on your notes*”.

Aggregate Investor Indemnity Amounts for series 06-1 will be payable only if amounts are available from Excess Spread to pay them. See “– *Excess Spread*”. If Excess Spread available on any transfer date is not enough to pay the Aggregate Investor Indemnity Amount for series 06-1 otherwise payable on that date, the excess will be carried forward and paid on subsequent transfer dates to the extent amounts of Excess Spread are available to pay them.

Spread Account

The receivables trustee will establish and maintain a spread account at a Qualified Institution – currently Barclays Bank PLC at its branch located at 1234 Pavilion Drive, Northampton NN4 7SG – as a segregated Trust Account held for the benefit of the MTN Issuer as the investor beneficiary

and the transferor beneficiary. This account is called the “Spread Account”. The Spread Account will be used:

- to fund shortfalls in Excess Spread available to pay the Class A Monthly Distribution Amount;
- on the day called the “Class A Release Date”, which is the earlier of:
 - (1) the day the Class A Investor Interest are reduced to zero, and
 - (2) the series 06-1 termination date,

to fund the amount, if any, by which the Class A Debt Amount is greater than the Class A Investor Interest; and

- beginning on the Class A Release Date, to fund shortfalls in Excess Spread available to fund the Class A Investor Default Amount.

No amounts will be deposited into the Spread Account on the closing date, but if the amount on deposit in the Spread Account is less than the Required Spread Account Amount, then the Spread Account will be funded by Excess Spread as described above in item (3) under “– Excess Spread”.

The “Required Spread Account Amount” will be determined monthly and will be equal to the Spread Account Percentage times:

- during the Revolving period the current Investor Interest, or
- during the Regulated Amortisation Period, any Partial Amortisation Period or the Rapid Amortisation Period, the Investor Interest as of the last day of the Revolving Period.

The Required Spread Account Amount, however, will never exceed the Class A Debt Amount.

The “Spread Account Percentage” will be determined on each determination date by the level of the quarterly excess spread percentage as follows:

<i>Quarterly Excess Spread Percentage</i>	<i>Spread Account Percentage</i>
above 3.30%	0%
above 2.05% but equal to or below 3.30%	50%
equal to or below 2.05%	100%

The quarterly excess spread percentage will be calculated on each determination date and will be a percentage equal to the average of the Portfolio Yields for the three prior months less the average of the Expense Rates for the same three months.

The quarterly excess spread percentage for the first determination date will be calculated using the Portfolio Yield for the prior month minus the Expense Rate for the same month. The quarterly excess spread percentage for the second determination date will be calculated using the average of the Portfolio Yields for the prior two months minus the average of the Expense Rates for the same two months.

All amounts on deposit in the Spread Account on any transfer date will be invested by the receivables trustee in permitted investments to the next transfer date. For purposes of the Spread Account, permitted investments will include investments rated A-2 by Standard & Poor’s, and P-2 by Moody’s. This will be done after giving effect to any deposits to, or withdrawals from, the Spread Account made on that transfer date. The interest and other investment income – net of investment expenses and losses – earned on the investments will be retained in the Spread Account if the amount on deposit in the Spread Account is less than the Required Spread Account Amount. If the amount on deposit in the Spread Account is at least equal to the Required Spread Account Amount, then it will be paid to the transferor beneficiary.

If the Class A Monthly Distribution Amount is not fully paid from Excess Spread on any transfer date, the receivables trustee will withdraw from available funds on deposit in the Spread Account an amount equal to the shortfall and credit it, *pro rata* and *pari passu*, to the Class A1 Distribution Ledger and the Class A2 Distribution Ledger.

On the Class A Release Date, the lesser of:

- the available amount on deposit in the Spread Account, and
- the amount, if any, by which the Class A Debt Amount exceeds the Class A Investor Interest

will be withdrawn by the receivables trustee and paid to the MTN Issuer as the investor beneficiary and treated as principal paid that is referable, *pro rata* and *pari passu*, to the Class A1 Investor

Interest and the Class A2 Investor Interest. This withdrawal will be made only after giving effect to any withdrawal made for the purposes described in the preceding paragraph.

Beginning on the Class A Release Date, if the Class A Investor Default Amount is not fully funded from Excess Spread on any transfer date, the receivables trustee will withdraw from available funds on deposit in the Spread Account an amount equal to the shortfall and these funds will be calculated by reference to Class A and treated as a portion of Investor Principal Collections that is referable, *pro rata* and *pari passu*, to the Class A1 Investor Interest and the Class A2 Investor Interest and so credited to the Principal Collections Ledger. This withdrawal will be made only after giving effect to any withdrawal made for the purposes described in the two preceding paragraphs.

Any amount on deposit in the Spread Account that exceeds the Required Spread Account Amount will be withdrawn by the receivables trustee and will be treated as part of the excess interest attributable to series 06-1 and will be paid to the MTN Issuer. Also, on the earlier of:

- the termination of the receivables trust; and
- the series 06-1 termination date,

any amounts still on deposit in the Spread Account, after making any deposit or withdrawal described above, will be withdrawn by the receivables trustee and treated as part of the excess interest attributable to series 06-1 and will be paid to the MTN Issuer.

Distribution Ledgers

The receivables trustee will establish distribution ledgers for each class in series 06-1 in the Trustee Collection Account. On each transfer date it will credit and debit amounts to these ledgers as described throughout this section of this prospectus. All amounts credited to the Class A1 Distribution Ledger and the Class A2 Distribution Ledger will be regarded as being segregated for the benefit of the MTN Issuer.

Trustee Payment Amount

The share of the Trustee Payment Amount payable on any transfer date that is allocable to series 06-1 – called the “Investor Trustee Payment Amount” – will be calculated as follows:

$$\frac{\text{Investor Interest for Series 06-1}}{\text{Total of Investor Interests of series for which the Trustee Payment Amount was incurred}} \times \text{Trustee Payment Amount}$$

The share of the Investor Trustee Payment Amount allocable to the Investor Interest for each class is equal to the product of:

- the floating allocation for the relevant class; and
- the Investor Trustee Payment.

This will be called the “Class A1 Trustee Payment Amount” and the “Class A2 Trustee Payment Amount”, respectively.

The Investor Trustee Payment Amount for any class will be payable from amounts available for distribution for that purpose out of available funds for each class and Excess Spread. See “– Allocation, Calculation and Distribution of Finance Charge Collections to the MTN Issuer” and “– Excess Spread”.

The portion of the Trustee Payment Amount not allocated to series 06-1 will be paid from cashflows under the receivables trust allocated to other outstanding series, and in no event will series 06-1 be liable for these payments.

Qualified Institutions

If the bank or banks at which any of the accounts listed below are held cease to be a Qualified Institution, then the receivables trustee will, within 10 business days, establish a new account to replace the affected account or accounts, and will transfer any cash and interest to that new account or accounts. The accounts referred to above are:

- Trustee Collection Account;
- Trustee Acquisition Account;

- Spread Account;
- Series 06-1 Distribution Account.

The receivables trustee may in its discretion elect to move any or all of these accounts and the amounts credited to them from the Qualified Institution at which they are kept as at the date of this document to another or other Qualified Institutions.

“Qualified Institution” means (1) an institution which at all times has a short-term unsecured debt rating of at least A-1+ by Standard & Poor’s and P-1 by Moody’s or (2) an institution acceptable to each rating agency.

Series 06-1 Pay Out Events

The events described below are called “Series 06-1 Pay-Out Events”:

- (1) failure on the part of the transferor:
 - to make any payment or deposit required by the terms of the receivables securitisation agreement within five business days after the date that the payment or deposit is required to be made; or
 - duly to observe or perform any covenants or agreements of the transferor in the receivables securitisation agreement or the Series 06-1 Supplement that has a material adverse effect on the interests of the MTN Issuer in respect of series 06-1 and which continues unremedied for a period of 60 days after the date on which written notice of the failure, requiring it to be remedied, is given to the transferor by the receivables trustee, or is given to the transferor and the receivables trustee by the investor beneficiary for series 06-1 acting on the instructions of holders of the series 06-1 medium term note certificate representing together 50 per cent. or more of the total balance of the series 06-1 medium term note certificate outstanding at that time, and which unremedied continues during that 60 day period to have a material adverse effect on the interests of the MTN Issuer in respect of series 06-1 for that period;
- (2) any representation or warranty made by the transferor in the receivables securitisation agreement or the Series 06-1 Supplement, or any information contained in a computer file or microfiche list required to be delivered by the transferor under the receivables securitisation agreement:
 - proves to have been incorrect in any material respect when made or when delivered and continues to be incorrect in any material respect for a period of 60 days after the date on which written notice of the error, requiring it to be remedied, is given to the transferor by the receivables trustee, or is given to the transferor and the receivables trustee by the investor beneficiary for series 06-1 acting on the instructions of holders of the series 06-1 medium term note certificate representing together 50 per cent. or more of the total balance of the series 06-1 medium term note certificate outstanding; and
 - as a result of which there is a material adverse effect on the interests of the MTN Issuer in respect of series 06-1 and which unremedied continues during that 60 day period to have a material adverse effect for that period.

Notwithstanding the above, no series 06-1 Pay-Out Event in relation to (2) shall be deemed to have occurred if the transferor has complied with its obligations for a breach of warranty as set out in the receivables securitisation agreement;
- (3) the average Portfolio Yield for any three consecutive monthly periods is less than the average Expense Rate for such period or, on any determination date before the end of the third monthly period from the closing date the Portfolio Yield is less than the average Expense Rate for that period;
- (4) either:
 - over any period of thirty consecutive days, the Transferor Interest averaged over that period is less than the Minimum Transferor Interest for that period and the Transferor Interest does not increase on or before the tenth business day following that thirty day period to an amount such that the average of the Transferor Interest as a percentage of the Average Principal Receivables for such thirty day period, computed by assuming that the amount of the increase of the Transferor Interest by the last day of the ten business

day period, as compared to the Transferor Interest on the last day of the thirty day period, would have existed in the receivables trust during each day of the thirty day period, is at least equal to the Minimum Transferor Interest; or

- on the last day of any monthly period the total balance of eligible receivables is less than the Minimum Aggregate Principal Receivables, adjusted for any series having a Companion Series as described in the supplement for that series, and the total balance of eligible receivables fails to increase to an amount equal to or greater than the Minimum Aggregate Principal Receivables on or before the tenth business day following that last day;
- (5) any servicer default or trust cash manager default occurs that would have a material adverse effect on the MTN Issuer in respect of series 06-1;
 - (6) the Investor Interest is not reduced to zero on the series 06-1 scheduled redemption date;
 - (7) the early termination, without replacement, of the swap agreement as described in this prospectus under “*The Swap Agreement: Common Provisions of the Swap Agreement*”;
 - (8) the MTN Issuer is required to withhold or deduct any amounts for or on account of tax on the payment of any principal or interest in respect of the series 06-1 medium term note certificate.

If any event described in paragraphs (1), (2) or (5) occurs and provided that a Pay Out Commencement Date has occurred, then, after the applicable grace period, either (1) the receivables trustee or (2) the investor beneficiary may declare that a Series 06-1 Pay Out Event has occurred if the correct notice has been given. If the investor beneficiary declares that a Series 06-1 Pay Out Event has occurred, it must have acted on the instructions of holders of the series 06-1 medium term note certificate representing, together, 50 per cent. or more of the series 06-1 medium term note certificate outstanding at that time. The investor beneficiary must give a written notice to the transferor, the servicer and the receivables trustee that a Series 06-1 Pay Out Event has occurred. If the receivables trustee declares that a Series 06-1 Pay Out Event has occurred, it must give a written notice to this effect to the transferor, the servicer and the trust cash manager. A Series 06-1 Pay Out Event will be effective as of the date of the relevant notice. If any event in paragraphs (3), (4), (6), (7) or (8) occurs and provided that a Pay Out Commencement Date has occurred, a Series 06-1 Pay Out Event will occur without any notice or other action on the part of the receivables trustee or the investor beneficiary.

“**Portfolio Yield**” means, for any monthly period:

where:

$$\frac{(A + B) - C}{D} \times 12$$

A = the finance charge collections allocable to series 06-1;

B = the Acquired Interchange allocable to series 06-1;

C = the Investor Default Amount; and

D = the Investor Interest.

“**Expense Rate**” means, for any transfer date:

where:

$$\frac{A + B + C}{D} \times 12$$

A = the sum of the Class A1 Monthly Required Expense Amount and the Class A2 Monthly Required Expense Amount;

B = the investor servicing fee;

C = the investor trust cash management fee; and

D = the Investor Interest.

“**Minimum Transferor Interest**” means 5 per cent. of the Average Principal Receivables. The transferor may reduce the Minimum Transferor Interest in the following circumstances:

- upon 30 days prior notice to the receivables trustee, each rating agency and any enhancement provider entitled to receive notice under its supplement;
- upon written confirmation from each rating agency that the reduction will not result in the reduction or withdrawal of the ratings of the rating agency for any outstanding related beneficiary debt, including, for series 06-1, the notes; and
- delivery to the receivables trustee and each enhancement provider of an officer’s certificate stating that the transferor reasonably believes that the reduction will not, based on the facts known to the officer at the time of the certification, cause, at that time or in the future, a Pay Out Event to occur for any investor beneficiary.

The Minimum Transferor Interest will never be less than 2 per cent. of the Average Principal Receivables.

“**Minimum Aggregate Principal Receivables**” means, an amount equal to the sum of the numerators used in the calculation of the investor percentages for principal collections for all outstanding series on that date.

“**Average Principal Receivables**” means, for any period, an amount equal to:

- the sum of the total balance of eligible principal receivables at the end of each day during that period divided by;
- the number of days in that period.

“**Companion Series**” means:

- each series that has been paired with another series so that the reduction of the investor interest of the paired series results in the increase of the investor interest of the other series, as described in the related supplements; and
- the other series.

Entitlement of MTN Issuer to Series 06-1 Excess Interest

Barclays Bank PLC will enter into an “**agreement between beneficiaries**” with the MTN Issuer under which Barclays Bank PLC will transfer its excess interest entitlement attributable to series 06-1 to the MTN Issuer. The portion of the excess interest so transferred will form part of the Investor Interest. The MTN Issuer will pay amounts of excess interest attributable to series 06-1 which it receives pursuant to the agreement between the beneficiaries to the issuer as “**MTN Issuer additional interest payments**”.

In return for the transfer of the entitlement to the portion of the excess interest relating to series 06-1 the MTN Issuer will agree to pay deferred consideration to Barclays Bank PLC. We will refer to this deferred consideration as “**excess entitlement consideration**”. The amount of the excess entitlement consideration in respect of series 06-1 will be equal to the amount of deferred subscription price which the MTN Issuer receives from the issuer in respect of the series 06-1 medium term note certificate from time to time.

The issuer will apply any MTN Issuer additional interest payments received by it in meeting its due and payable obligations. Any sums remaining following satisfaction of all amounts due and payable by the issuer, which we will refer to as “**unutilised excess spread**”, will be paid to the MTN Issuer as deferred subscription price for the series 06-1 medium term note certificate for as long as the series 06-1 medium term note certificate is in issue.

In addition, pursuant to an agreement between beneficiaries in relation to each Existing Series: (i) the Excess Interest Beneficiary assigned its entitlement to any Excess Finance Charge Amount relating to any Existing Series (including any Spread or Reserve Amount, as the case may be), to the MTN Issuer in its capacities as Series 02-1 Investor Beneficiary, Series 03-1 Investor Beneficiary, Series 04-1 Investor Beneficiary, Series 04-2 Investor Beneficiary, Series 05-1 Investor Beneficiary, Series 05-2 Investor Beneficiary, Series 05-3 Investor Beneficiary and Series 05-4 Investor Beneficiary (such assigned amounts in respect of such Existing Series, the “**Existing Series Assigned Excess Spread**”); and (ii) the MTN Issuer agreed to pay to the Excess Interest Beneficiary the Excess Entitlement Consideration pursuant to the terms of each such Agreement Between Beneficiaries in respect of each Existing Series (any such amounts to be paid by the MTN Issuer, the “**Existing Series Excess Entitlement**”).

Pursuant to the terms of Series 06-1, the Transfer Beneficiary agrees that payment by the MTN Issuer of any Existing Series Excess Entitlement on any transfer date shall be reduced by the Utilised Excess Entitlement Consideration Amount (as defined below).

Any such Utilised Excess Entitlement Consideration Amount shall be calculated by the Series 06-1 Investor Beneficiary on the date upon which, pursuant to any agreement between beneficiaries relating to an Existing Series, there is scheduled to be any payment to the Excess Interest Beneficiary of any Excess Entitlement Consideration. An amount equal to such Utilised Excess Entitlement Consideration Amount shall be credited to the Finance Charge Collections Ledger on the date of calculation thereof and identified as being available for Series 06-1.

Any Utilised Excess Entitlement Consideration Amount credited to the Finance Charge Collections Ledger shall be identified as being referable to each of Class A1 and Class A2 on a *pro rata* basis by reference to the proportion which each of the Class A1 Interest and the Class A2 Interest Amount bears to the Class A Interest, as applicable, and shall be treated for calculation purposes as forming part of the Series 06-1 Investor Interest.

The “Utilised Excess Entitlement Consideration Amount” for any transfer date is an amount equal to the excess of:

- (i) the Aggregate Transfer Date Required Amount for such transfer date;
over
- (ii) the aggregate of the Class A1 Available Calculated Amount and the Class A2 Available Calculated Amount (as such terms are defined by reference to the Class A1 Available Funds and Class A2 Available Funds, respectively),

in each case for the relevant transfer date, provided that the Utilised Excess Entitlement Consideration Amount shall not exceed the Existing Series Excess Entitlement (prior to any reduction thereof pursuant to the provisions of Series 06-1) for the relevant transfer date.

Any amounts representing any Existing Series Aggregate Required Monthly Finance Amount Shortfall shall be treated by the MTN Issuer for all purposes as Existing Series Class Available Funds for the relevant Existing Series Class as if such funds had comprised the relevant Existing Series Class allocated Finance Charge Collections pursuant to the terms of the relevant Existing Series.

Your Payment Flows

On each Distribution Date, the receivables trustee will transfer from available funds in the Trustee Collection Account the sum of:

- the Class A1 Monthly Distribution Amount;
- the Class A2 Monthly Distribution Amount;
- an amount equal to the principal calculated as being due and re-payable on that Distribution Date in accordance with the expenses loan agreement; and
- the excess interest attributable to series 06-1;

and deposit that sum into the Series 06-1 Distribution Account held by the MTN Issuer.

The MTN Issuer will credit the amount received in respect of the monthly distribution amounts for each class and the portion of the excess interest attributable to series 06-1 to the MTN Issuer coupon ledgers and will record for calculation purposes the amounts treated as referable to each class.

“Existing Series Class Monthly Finance Amount Shortfall” means, on any Distribution Date, the amount of any shortfall between the funds on deposit in the Existing Series Distribution Account for use as the Existing Series Class Monthly Finance Required Amount for that Distribution Date and the amount required by the Existing Series Issuer to make any interest payments on the Existing Series Associated Debt of such Existing Series Issuer.

“Existing Series Class Monthly Finance Required Amount” means in respect of any Existing Series, the following amounts as calculated and defined pursuant to the terms of the relevant Existing Series, and prior to the application of any amounts pursuant to the Series 06-1 Supplement:

- (a) with respect to Series 02-1, Class A: the sum of the Class A Monthly Finance Amount, Class A Deficiency Amount and the Class A Additional Finance Amount; with respect to Series 02-1, Class B: the sum of the Class B Monthly Finance Amount, the Class B Deficiency Amount and

the Class B Additional Finance Amount; and with respect to Series 02-1, Class C: the sum of the Class C Monthly Finance Amount, the Class C Deficiency Amount and the Class C Additional Finance Amount;

- (b) with respect to Series 03-1, Class A: the sum of the Class A Monthly Finance Amount, Class A Deficiency Amount and the Class A Additional Finance Amount; with respect to Series 03-1, Class B: the sum of the Class B Monthly Finance Amount, the Class B Deficiency Amount and the Class B Additional Finance Amount; and with respect to Series 03-1, Class C: the sum of the Class C Monthly Finance Amount, the Class C Deficiency Amount and the Class C Additional Finance Amount;
- (c) with respect to Series 04-1, Class A: the sum of the Class A Monthly Finance Amount, Class A Deficiency Amount and the Class A Additional Finance Amount; with respect to Series 04-1, Class B: the sum of the Class B Monthly Finance Amount, the Class B Deficiency Amount and the Class B Additional Finance Amount; and with respect to Series 04-1, Class C: the sum of the Class C Monthly Finance Amount, the Class C Deficiency Amount and the Class C Additional Finance Amount;
- (d) with respect to Series 04-2, Class A: the sum of the Class A Monthly Finance Amount, Class A Deficiency Amount and the Class A Additional Finance Amount; with respect to Series 04-2, Class B: the sum of the Class B Monthly Finance Amount, Class B Deficiency Amount and the Class B Additional Finance Amount; with respect to Series 04-2, Class C: the sum of the Class C Monthly Finance Amount, Class C Deficiency Amount and the Class C Additional Finance Amount;
- (e) with respect to Series 05-1, Class A: the sum of the Class A Monthly Finance Amount, Class A Deficiency Amount and the Class A Additional Finance Amount; with respect to Series 05-1, Class B: the sum of the Class B Monthly Finance Amount, the Class B Deficiency Amount and the Class B Additional Finance Amount; and with respect to Series 05-1, Class C: the sum of the Class C Monthly Finance Amount, the Class C Deficiency Amount and the Class C Additional Finance Amount;
- (f) with respect to Series 05-2, Class A: the sum of the Class A Monthly Finance Amount, Class A Deficiency Amount and the Class A Additional Finance Amount; with respect to Series 05-2, Class B: the sum of the Class B Monthly Finance Amount, the Class B Deficiency Amount and the Class B Additional Finance Amount; and with respect to Series 05-2, Class C: the sum of the Class C Monthly Finance Amount, the Class C Deficiency Amount and the Class C Additional Finance Amount;
- (g) with respect to Series 05-3, Class A1: the sum of the Class A1 Monthly Finance Amount, Class A1 Deficiency Amount and the Class A1 Additional Finance Amount; with respect to Series 05-3, Class A2: the sum of the Class A2 Monthly Finance Amount, Class A2 Deficiency Amount and the Class A2 Additional Finance Amount; with respect to Series 05-3, Class B1: the sum of the Class B1 Monthly Finance Amount, the Class B1 Deficiency Amount and the Class B1 Additional Finance Amount; with respect to Series 05-3, Class B2: the sum of the Class B2 Monthly Finance Amount, the Class B2 Deficiency Amount and the Class B2 Additional Finance Amount; with respect to Series 05-3, Class C1: the sum of the Class C1 Monthly Finance Amount, the Class C1 Deficiency Amount and the Class C1 Additional Finance Amount; and with respect to Series 05-3, Class C2: the sum of the Class C2 Monthly Finance Amount, the Class C2 Deficiency Amount and the Class C2 Additional Finance Amount;
- (h) with respect to Series 05-4, Class A: the sum of the Class A Monthly Finance Amount, Class A Deficiency Amount and the Class A Additional Finance Amount; with respect to Series 05-4, Class B: the sum of the Class B Monthly Finance Amount, the Class B Deficiency Amount and the Class B Additional Finance Amount; and with respect to Series 05-4, Class C: the sum of the Class C Monthly Finance Amount, the Class C Deficiency Amount and the Class C Additional Finance Amount.

“Existing Series Monthly Finance Distribution Amount” means, in respect of any Existing Series:

- (a) with respect to Series 02-1, the Class A Monthly Distribution Amount, Class B Monthly Distribution Amount and/or the Class C Monthly Distribution Amount, as applicable, as defined pursuant to the terms of Series 02-1;

- (b) with respect to Series 03-1, the Class A Monthly Distribution Amount, Class B Monthly Distribution Amount and/or the Class C Monthly Distribution Amount, as applicable, as defined pursuant to the terms of Series 03-1;
- (c) with respect to Series 04-1, the Class A Monthly Distribution Amount, Class B Monthly Distribution Amount and/or the Class C Monthly Distribution Amount, as applicable, as defined pursuant to the terms of Series 04-1;
- (d) with respect to Series 04-2, the Class A Monthly Distribution Amount, Class B Monthly Distribution Amount and/or Class C Monthly Distribution Amount, as applicable, as defined pursuant to the terms of Series 04-2;
- (e) with respect to Series 05-1, the Class A Monthly Distribution Amount, Class B Monthly Distribution Amount and/or the Class C Monthly Distribution Amount, as applicable, as defined pursuant to the terms of Series 05-1;
- (f) with respect to Series 05-2, the Class A Monthly Distribution Amount, Class B Monthly Distribution Amount and/or the Class C Monthly Distribution Amount, as applicable, as defined pursuant to the terms of Series 05-2;
- (g) with respect to Series 05-3, the Class A1 Monthly Distribution Amount, the Class A2 Monthly Distribution Amount, the Class B1 Monthly Distribution Amount, the Class C1 Monthly Distribution Amount and/or the Class C2 Monthly Distribution Amount, as applicable, as defined pursuant to the terms of Series 05-3.
- (h) with respect to Series 05-4, the Class A Monthly Distribution Amount, Class B Monthly Distribution Amount and/or Class C Monthly Distribution Amount, as applicable, as defined pursuant to the terms of Series 05-4.

“Existing Series Monthly Finance Amount Shortfall” means, on any Distribution Date, the aggregate of any Existing Series Class Monthly Finance Amount Shortfall.

The MTN Issuer will then transfer from the Series 06-1 Distribution Account to the extent there are sufficient funds on deposit the following amounts:

On each Distribution Date, in the event of any Existing Series Monthly Finance Amount Shortfall on such Distribution Date, the MTN Issuer will utilise funds on deposit in the Series 06-1 Distribution Account, other than funds representing any excess interest attributable to series 06-1 (utilising amounts *pari passu* and *pro rata* funds credited to the Class A1 notes coupon ledger and Class A2 notes coupon ledger (the Cash Manager shall adjust the amounts credited to such ledgers accordingly) to make up Existing Series Class Monthly Finance Amount Shortfall to which such Existing Series Monthly Finance Required Amount Relates (applying funds *pro rata* and *pari passu* to each such Existing Series Class Monthly Finance Amount Shortfall (and with respect to the Existing Series Classes to which any Existing Series Class Monthly Finance Amount Shortfall relates, *pro rata* and *pari passu* as between each Existing Series Class) and by payment of such funds to the relevant Existing Series Distribution Account to which any such Existing Series Class Monthly Finance Amount Shortfall relates). Following the application of such funds any such applied funds, the “Series 06-1 Support Amount”) and payment of any Series 06-1 Support Amount to the relevant Existing Series Distribution Account the Series 06-1 Support Amount so paid shall be deemed by the MTN Issuer to be Existing Series Monthly Distribution Amount for the relevant Existing Series Class, shall be credited by the MTN Issuer to the relevant coupon ledgers for the relevant Existing Series Class, and shall be utilised by the MTN Issuer as Existing Series Monthly Distribution Amounts pursuant to the terms of the relevant Existing Series. Following such payment, remaining funds and any excess interest attributable to series 06-1 will be distributed as follows:

- first, the costs and expenses of the MTN Issuer for the relevant monthly period;
- second, the lesser of (1) the amounts credited to the MTN Issuer coupon ledgers, after paying or reserving for the MTN Issuer’s costs and expenses described in the first bullet point above, and (2) the interest due and payable on the series 06-1 medium term note certificate, excluding the MTN Issuer additional interest payments, will be deposited in the Series 06-1 Issuer Account;
- third, an amount equal to the Monthly Loan Expenses Amount plus an amount equal to the principal calculated as being then due and re-payable in accordance with the expenses loan agreement will be deposited in the Series 06-1 Issuer Account;

- fourth, an amount equal to 1/2 of the Series 06-1 Extra Amount will be paid to the MTN Issuer;
- fifth, an amount equal to 1/2 of the Series 06-1 Extra Amount will be deposited in the Series 06-1 Issuer Account;
- sixth, an amount equal to the MTN Issuer additional interest payments will be deposited in the Series 06-1 Issuer Account.

The “Series 06-1 Issuer Account” is a bank account in the name of the issuer that will be used to deposit amounts distributed to the issuer on the series 06-1 medium term note certificate from the MTN Issuer.

The issuer will also establish and maintain coupon ledgers for each class of notes in the Series 06-1 Issuer Account. On each Distribution Date the issuer will credit the following amounts to the following ledgers:

- to the Class A1 notes coupon ledger of the Series 06-1 Issuer Account an amount equal to the lesser of (1) a *pro rata* portion (based upon the proportion that the aggregate Base Currency PAO of the Class A1 notes bears to the aggregate Base Currency PAO of the class A notes) of the amount deposited in the Series 06-1 Issuer Account on such Distribution Date and (2) the sum of the Class A1 Monthly Finance Amount, the Class A1 Deficiency Amount and the Class A1 Additional Finance Amount minus an amount equal to the *pro rata* proportion (based upon the proportion of Class A1 Investor Interest to Class A Investor Interest) of the Monthly Loan Expenses Amount; and
- to the Class A2 notes coupon ledger of the Series 06-1 Issuer Account an amount equal to the lesser of, (1) a *pro rata* portion (based upon the proportion that the aggregate Base Currency PAO of the Class A2 notes bears to the aggregate Base Currency PAO of the class A notes) of the amount deposited in the Series 06-1 Issuer Account on such Distribution Date and (2) the sum of the Class A2 Monthly Finance Amount, the Class A2 Deficiency Amount and the Class A2 Additional Finance Amount minus an amount equal to the *pro rata* proportion (based upon the proportion of Class A2 Investor Interest to Class A Investor Interest) of the Monthly Loan Expenses Amount.

In addition, the MTN Issuer will pay any amounts received from the issuer as deferred subscription price to Barclays Bank PLC pursuant to an agreement between beneficiaries.

On each Interest Payment Date, the issuer will pay from the Series 06-1 Issuer Account:

- first, from MTN Issuer additional interest, the costs and expenses of the issuer for the relevant Calculation Period will be paid or reserved for within the issuer;
- second, the costs and expenses of the issuer for the relevant Calculation Period remaining after the first item will be paid or reserved for within the issuer to the class A notes’ share for such payment to be used to pay, or reserve for, the costs and expenses of the issuer;
- third, *pro rata* and *pari passu*:
 - (a) an amount equal to the lesser of (1) the amount standing to the credit of the class A1 notes coupon ledger after paying or reserving for the Class A1 notes’ proportionate share of the issuer’s costs and (2) other than amounts payable under the tenth item below, expenses and the amounts due and payable to the swap counterparty under the swap agreement for the relevant Calculation Period, to the swap counterparty and upon payment to the issuer by the swap counterparty in exchange therefor, to the holder of the Class A1 note (or, to the extent that the swap agreement has been terminated and not replaced, the lesser of (i) the spot Euro equivalent of (1) above and (ii) the amount due under the Class A1 note to the holder of the Class A1 note);
 - (b) an amount equal to the amount standing to credit of the Class A2 notes coupon ledger after paying or reserving for the Class A2 notes’ proportionate share of the issuer’s costs to the holder of the Class A2 note;
- fourth, the lesser of the remaining amount on deposit in the Series 06-1 Issuer Account and an amount equal to the Monthly Loan Expenses Amount will be paid to the lender under the expenses loan agreement;

- fifth, the lesser of the remaining amount on deposit in the Series 06-1 Issuer Account and an amount equal to the principal calculated as being then due and re-payable in accordance with the expenses loan agreement will be paid to the lender under the expenses loan agreement;
- sixth, the lesser of the remaining amount on deposit in the Series 06-1 Issuer Account and an amount equal to 1/2 of the Series 06-1 Extra Amount, will be paid to the issuer;
- seventh, any amounts due from or required to be provided for by the issuer to meet its liabilities to any taxation authority;
- eighth, any amounts due to third parties under obligations incurred in the course of the issuer's business;
- ninth, an amount equal to the lesser of the amount on deposit in the Series 06-1 Issuer Account and the amount needed to cover any shortfall with respect to the notes caused by the imposition of withholding taxes on payments made under the series 06-1 medium term note certificate or the swap agreement;
- tenth, the amount equal to any termination payment due and payable to the swap counterparty pursuant to the swap agreement where the swap agreement has been terminated as a result of a default by the swap counterparty; and
- eleventh, any amounts remaining will constitute deferred subscription price and will be paid to the MTN Issuer.

Under the terms of the swap agreement, the swap counterparty will pay to the principal paying agent on each Interest Payment Date an amount equal to the interest on the applicable class of notes, converted into euro subject to the deferral of interest as described in "*Terms and Conditions of the Notes*" and "*The Swap Agreement*"; Provided that, in the event that a withholding tax is imposed on payments due from the Issuer under the swap agreement, the swap counterparty will be entitled to deduct amounts in the same proportion from payments due from it (which could result in deferral in respect of payment on the Class A1 notes), and the Issuer shall be entitled to use available amounts of MTN Issuer additional interest payments in accordance with the above priority of payments (where any such shortfall ranks at the same level in the above priority of payments as the interest on the Class A1 notes, converted at the then spot rate of exchange for sterling to euro) to make whole any such shortfall in interest paid in respect of the Class A1 notes, and the Issuer will pay such converted amount to the principal paying agent for payment in respect of the Class A1 notes.

After the termination of the swap agreement, the note trustee will withdraw the amounts on deposit in the Class A1 notes coupon ledger and convert those amounts into euro at the then prevailing spot exchange rate in London, England for sterling purchases of euro and distribute these euro amounts to the paying agent to make payments of interest on the Class A1 notes.

On the earlier of (1) the series 06-1 scheduled redemption date and (2) the first Distribution Date for the Regulated Amortisation Period, Partial Amortisation Period or the Rapid Amortisation Period, and on each Distribution Date after that, the receivables trustee will transfer from the Class A1 Distribution Ledger and the Class A2 Distribution Ledger, the lesser of (1) during the Rapid Amortisation Period, the aggregate amount in the Class A1 Distribution Ledger and the Class A2 Distribution Ledger or, during the Regulated Amortisation Period, the Controlled Deposit Amount, and (2) the Class A Investor Interest (or, in the case of the Partial Amortisation Period, the Partial Amortisation Amount) and deposit them into the Series 06-1 Distribution Account.

The MTN Issuer will credit the amount received for each class of Investor Interest to the MTN Issuer Principal Ledger.

On the earlier of (1) the series 06-1 scheduled redemption date and (2) the first Distribution Date during the Regulated Amortisation Period, Partial Amortisation Period or the Rapid Amortisation Period, and each Distribution Date thereafter, the MTN Issuer will transfer for same day value from the Series 06-1 Distribution Account the amount in the MTN Issuer Principal Ledger and deposit it into the Series 06-1 Issuer Account.

The issuer will credit, *pro rata*, each amount received from the MTN Issuer Principal Ledger to each note principal ledger. On the earlier of (1) the Series 06-1 scheduled redemption date and (2) the first Interest Payment Date for the Regulated Amortisation Period, Partial Amortisation Period or the Rapid Amortisation Period, and each Interest Payment Date after, the issuer will pay:

- before termination of the swap agreement from the Class A1 notes principal ledger, an amount equal to the lesser of (1) the amount in the Class A1 notes principal ledger; and (2) the sterling equivalent of the principal due on the Class A1 notes (or, in the case of the Partial Amortisation Period, the Partial Amortisation Amount), to the swap counterparty;
- from the Class A2 notes principal ledger, an amount equal to the amount in the Class A2 notes principal ledger to the paying agent for distribution of principal to the Class A2 noteholders.

The swap counterparty will pay to the principal paying agent principal for distribution to the Class A1 noteholders, converted into euro at the fixed exchange rate, in respect of the Class A1 notes.

After the termination of the swap agreement, the note trustee will withdraw the amounts on deposit in the Class A1 notes principal ledger and, to the extent necessary, the amounts on deposit in the Series 06-1 Issuer Account representing MTN Issuer additional interest payments and convert those amounts into euro at the then prevailing spot exchange rate in London, England for sterling purchases of euro and distribute those euro amounts to the paying agent to make payments of principal on the Class A1 notes.

The Trust Deed

The principal agreement governing the notes will be the trust deed. The trust deed has four primary functions:

- it constitutes the notes;
- it sets out the covenants of the issuer in relation to the notes;
- it sets out the enforcement and post-enforcement procedures relating to the notes; and
- it sets out the appointment, powers and responsibilities of the note trustee.

Each function is summarised below.

The trust deed sets out the form of the notes. It also sets out the terms and conditions of the notes, and the conditions for the issue of individual note certificates and/or the cancellation of any notes. It stipulates that the paying agents, the registrar, the transfer agents and the agent bank will be appointed. The detailed provisions regulating these appointments are contained in the paying agency and agent bank agreement.

The trust deed also contains covenants made by the issuer in favour of the note trustee and the noteholders. The main covenants are that the issuer will pay interest and repay principal on each of the notes when due. Covenants are included to ensure that the issuer remains insolvency remote, and to give the note trustee access to all information and reports that it may need in order to discharge its responsibilities in relation to the noteholders. Some of the covenants also appear in the terms and conditions of the notes, see "*Terms and Conditions of the Notes*". The issuer also covenants that it will do all things necessary to maintain the listing of the notes on the Official List of the UK Listing Authority and admission to trading on the London Stock Exchange and to keep in place a registrar, a transfer agent, a paying agent and an agent bank.

The trust deed sets out the general procedures by which the note trustee may take steps to enforce the security created by the issuer in the deed of charge so that the note trustee can protect the interests of the noteholders in accordance with the terms and conditions. The trust deed gives the note trustee a general discretion to enforce the security, but also provides for meetings of the noteholders at which the noteholders can determine the action taken by the note trustee in relation to the enforcement of the notes. Certain basic terms of each class of notes may not be amended without the consent of the majority of the holders of that class of note. This is described further in the "*Terms and Conditions of the Notes*".

The trust deed also sets out the priority in which the note trustee will pay out any monies that it receives under the notes after the security has been enforced. This is also set out in the deed of charge and the priority of payments is summarised in the terms and conditions of the notes.

The trust deed also sets out the terms on which the note trustee is appointed, the indemnification of the note trustee, the payment it receives and the extent of the note trustee's authority to act beyond its statutory powers under English Law. The note trustee is also given the ability to appoint a delegate or agent in the execution of any of its duties under the trust deed. The trust deed also sets out the circumstances in which the note trustee may resign or retire.

The terms of the trust deed supersede the provisions of the Trustee Act 2000 of England and Wales.

The trust deed is governed by English Law.

The Notes and the Global Certificates

The issue of the notes will be authorised by a resolution of the board of directors of the issuer passed prior to the closing date. The notes will be constituted by a trust deed to be dated the closing date between the issuer and the note trustee as trustee for, among others, the holders for the time being of the notes. The trust deed includes provisions which enable it to be modified or supplemented and any reference to the trust deed is a reference also to the document as modified or supplemented in accordance with its terms.

The material terms of the notes are described in this prospectus. However, the statements set out in this section with regard to the notes and the global note certificates representing the notes are subject to the detailed provisions of the trust deed. The trust deed will include the forms of the global note certificates and the forms of the individual note certificates. A paying agent and agent bank agreement between the issuer, the note trustee, The Bank of New York in London as “**principal paying agent**”, the other paying agents – together with the principal paying agent, called the “**paying agents**” – the transfer agent, the registrar and the agent bank, regulates how payments will be made on the notes and how determinations and notifications will be made. It will be dated as of the closing date and the parties will include, on an ongoing basis, any successor party appointed in accordance with its terms.

Each Class of notes will be represented by a global note certificate which will be registered in the name of The Bank of New York Depository (Nominees) Limited as common depository for Euroclear Bank S.A./N.V. (“Euroclear”) and Clearstream Banking, société anonyme (“Clearstream, Luxembourg”).

Beneficial owners may hold their interests in the global note certificates only through Clearstream, Luxembourg or Euroclear, as applicable, or indirectly through organisations that are participants in any of those systems. Ownership of these beneficial interests in a global note certificate will be shown on, and the transfer of that ownership will be effected only through, records maintained by Clearstream, Luxembourg or Euroclear (with respect to interests of their participants) and the records of their participants (with respect to interests of persons other than their participants). By contrast, ownership of direct interests in a global note certificate will be shown on, and the transfer of that ownership will be effected through, the register maintained by the registrar. Because of this holding structure of the notes, beneficial owners of notes may look only to Clearstream, Luxembourg or Euroclear, as applicable, or their respective participants for their beneficial entitlement to those notes. The issuer expects that Clearstream, Luxembourg or Euroclear will take any action permitted to be taken by a beneficial owner of notes only at the direction of one or more participants to whose account the interests in a global note certificate is credited and only in respect of that portion of the aggregate principal amount of notes as to which that participant or those participants has or have given that direction.

The global note certificate will become exchangeable in whole, but not in part, for individual note certificates if (a) Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in condition number 9 (*Events of Default*) occurs.

Whenever the global note certificate is to be exchanged for individual note certificates, such individual note certificates will be issued in an aggregate principal amount equal to the principal amount of the global note certificate within five business days of the delivery, by or on behalf of the registered holder of the global note certificate, Euroclear and/or Clearstream, Luxembourg, to the registrar of such information as is required to complete and deliver such individual note certificates (including, without limitation, the names and addresses of the persons in whose names the individual note certificates are to be registered and the principal amount of each such person's holding) against the surrender of the global note certificate at the specified office of the registrar. Such exchange will be effected in accordance with the provisions of the trust deed and the regulations concerning the transfer and registration of notes scheduled thereto and, in particular, shall be effected without charge to any holder or the note trustee, but against such indemnity as the registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

In addition, the global note certificate will contain provisions that modify the terms and conditions of the notes as they apply to the notes evidenced by the global note certificate. In particular, notwithstanding condition number 15 (*Notices*), so long as the global note certificate is held on

behalf of for Euroclear, Clearstream, Luxembourg or any other clearing system (an “**Alternative Clearing System**”), notices to holders of notes represented by the global note certificate may be given by delivery of the relevant notice to Euroclear, Clearstream, Luxembourg or (as the case may be) such Alternative Clearing System.

Terms And Conditions Of The Notes

The material terms of the notes are described in the body of the prospectus. The following is a summary of the material terms and conditions of the notes, and is numbered 1 to 17. This summary does not need to be read with the terms and conditions of the notes in order to learn all the material terms and conditions of the notes.

The notes are the subject of the following documents:

- a trust deed dated the closing date between the issuer and the note trustee;
- a paying agency and agent bank agreement dated the closing date among the issuer, the registrar, the principal paying agent and the agent bank, the other paying agents, the transfer agent and the note trustee;
- a deed of charge dated the closing date among the lender under the expenses loan agreement, the issuer, the swap counterparty and the note trustee; and
- the swap agreement between the issuer and the swap counterparty.

When we refer to the parties to the documents listed above, the reference includes any successor to that party validly appointed.

Initially the parties will be as follows:

- Gracechurch Card Notes 2006-A PLC as issuer;
- The Bank of New York, acting through its London branch, as principal paying agent and agent bank, registrar transfer agent and note trustee; and
- Barclays Bank PLC as lender under the expenses loan agreement and swap counterparty.

You are bound by and deemed to have notice of all of the provisions of the trust deed, the paying agency and agent bank agreement, the deed of charge, the expenses loan agreement and the swap agreement, which are applicable to you. You can view drafts of those documents at the principal place of business of the note trustee or the specified office of any of the paying agents.

1. Form, Denomination, Title and Transfer

- (1) The notes are in global registered form. Transfers and exchanges of beneficial interests in notes represented by global note certificates are made in accordance with the rules and procedures of Euroclear or Clearstream, Luxembourg, as applicable. The euro notes are being offered in minimum denominations of €50,000 and integral multiples in excess thereof of €10,000. The sterling notes are being offered in minimum denominations of £50,000, and integral multiples in excess thereof of £10,000.
- (2) Global note certificates will be exchanged for individual note certificates in definitive registered form only under certain limited circumstances. If individual note certificates are issued, they will be serially numbered and issued in an aggregate principal amount equal to the principal amount outstanding of the relevant global note certificates and in registered form only.
- (3) The registrar will maintain a register in respect of the notes in accordance with the provisions of the paying agent and agent bank agreement. References in this section to a “holder” of a note means the person in whose name such note is for the time being registered in the register – or, in the case of a joint holding, the first named – and “noteholder” will be construed accordingly. A “note certificate” will be issued to each noteholder for its registered holding. Each note certificate will be numbered serially with an identifying number which will be recorded in the register.
- (4) The registered owner of each note will – except as otherwise required by law – be treated as the absolute owner of such note for all purposes. This will be true whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing on the note certificate – other than the endorsed form of transfer – or any notice of any previous loss or theft of the note certificate – and no other person will be liable for so treating the registered owner.
- (5) Subject to the provisions below, a note may be transferred upon surrender of the relevant note certificate, with the endorsed form of transfer duly completed, at the offices of the registrar or any transfer agent specified in the paying agent and agent bank agreement, together with such evidence as the registrar or transfer agent may reasonably require to

prove the title of the transferor and the authority of the individuals who have executed the form of transfer. A note may not be transferred, however, unless the principal amount of notes transferred and – where not all of the notes held by a holder are being transferred – the principal amount of the balance of notes not transferred are authorised holdings. “Authorised holdings” means holdings of at least £50,000 by reference to the Base Currency PAO of the notes held. Where not all the notes represented by the surrendered note certificate are the subject of the transfer, a new note certificate in respect of the balance of the notes will be issued to the transferor.

- (6) Within five business days of surrender of a note certificate, the registrar will register the transfer in question and deliver a new note certificate of a like principal amount to the notes transferred to each relevant holder at its office or the office of any transfer agent specified in the paying agent and agent bank agreement or, at the request and risk of any such relevant holder, by uninsured first class mail – and by airmail if the holder is overseas – to the address specified for the purpose by which commercial banks are open for business, including dealings in foreign currencies, in the city where the registrar or the relevant transfer agent has its specified office.
- (7) The transfer of a note will be effected without charge by or on behalf of the issuer, the registrar or any transfer agent but against such indemnity as the registrar or transfer agent may require for any tax or other duty of any nature that may be levied or imposed in connection with the transfer.
- (8) All payments on the notes are subject to any applicable fiscal or other laws and regulations. Noteholders will not be charged commissions or expenses on these payments.
- (9) If the due date for payment of any amount on the notes is not a business day in the place it is presented, noteholders will not be entitled to payment of the amount due in that place until the next business day in that place and noteholders will not be entitled to any further interest or other payment as a result of that delay.
- (10) If a noteholder holds individual note certificates, payments of principal and interest – except in the case of a final payment that pays off the entire principal on the note – will be made by, in the case of the Class A1 notes, euro-denominated cheque and in the case of the Class A2 notes, sterling-denominated cheque and mailed to the noteholder at the address shown in the register. In the case of final redemption, payment will be made only when the note certificate is surrendered. If the noteholder makes an application to the registrar, payments can instead be made by transfer to a bank account.
- (11) If payment of principal on a note is improperly withheld or refused, the interest that continues to accrue will still be payable as usual.
- (12) The issuer can, at any time, vary or terminate the appointment of any paying agent and can appoint successor or additional paying agents, registrars or transfer agents. If the issuer does this it must ensure that it maintains a paying agent in London and a registrar. The issuer will ensure that at least 30 days’ notice of any change in the paying agents, the registrar or the transfer agent or their specified offices is given to noteholders in accordance with condition number 15.
- (13) Subject as described earlier about the deferral of interest, if payment of interest on a note is not paid for any other reason when due and payable, the unpaid interest will itself bear interest at the applicable rate until both the unpaid interest and the interest on that interest are paid.

2. Status

Payments on the notes will be made equally amongst all notes of the same class.

3. Security and Swap Agreement

The security for the payment of amounts due under your notes, and the expenses which validly arise during the transaction is created by the deed of charge and the pledge agreement. The security is created in favour of the note trustee who will hold it on your behalf and on the behalf of other secured creditors of the issuer. The security consists of the following:

- (1) an assignment by way of first fixed security of the issuer’s right, title and interest in and to the series 06-1 medium term note certificate to the extent not pledged in (6) below;

- (2) a charge by way of first fixed sub-charge of all of the issuer's right, title and interest in the security interest created by the MTN Issuer in favour of the security trustee in respect of the series 06-1 medium term note certificate;
- (3) an assignment by way of first fixed security of the issuer's right, title, interest and benefit in and to the issuer related documents except the trust deed and the deed of charge;
- (4) an assignment by way of first fixed security of the issuer's right, title, interest and benefit in and to all monies credited to the Series 06-1 Issuer Account or to any bank or other account in which the issuer may at any time have any right, title, interest or benefit;
- (5) a first floating charge over the issuer's business and assets not charged under (1), (2), (3) or (4) above or pledged under the pledge referred to in (6) below; and
- (6) a pledge over the series 06-1 medium term note certificate pursuant to a pledge agreement between the issuer and the note trustee.

The security is described in detail in the deed of charge and the pledge agreement.

The deed of charge sets out how money is distributed between the secured parties if the security is enforced. The order of priority it sets out is as follows:

- (1) first, in no order of priority between them but in proportion to the respective amounts due, to pay fees which are due to any receiver appointed under the deed of charge and all amounts due for legal fees and other costs, charges, liabilities, expenses, losses, damages, proceedings, claims and demands which have been incurred by the note trustee under the issuer related documents and/or in enforcing or perfecting title to the security together with interest due on these amounts;
- (2) second, *pro rata and pari passu*:
 - (a) towards payment of amounts due and unpaid on the Class A1 notes, to interest then to principal after, subject to the ninth item below, having paid any amounts due to the swap counterparty under the terms of the swap agreement;
 - (b) towards payment of amounts due and unpaid on the Class A2 notes, to interest then to principal after, subject to the ninth item below;
- (3) third, towards payment of amounts of interest due and unpaid under the terms of the expenses loan agreement;
- (4) fourth, towards re-payment of amounts of principal then due and unpaid under the terms of the expenses loan agreement;
- (5) fifth, towards payment of any sums that the issuer must pay to any tax authority;
- (6) sixth, towards payment of any sums due to third parties under obligations incurred in the course of the issuer's business;
- (7) seventh, towards payment of the deferred subscription price in respect of the series 06-1 medium term note certificate;
- (8) eighth, towards payment of any dividends due and unpaid to shareholders of the issuer;
- (9) ninth, towards payment of the amount equal to any termination payment due and payable to the swap counterparty pursuant to the swap agreement, where the swap agreement has been terminated as a result of a default by the swap counterparty; and
- (10) tenth, in payment of the balance, if any, to the liquidator of the issuer.

The security becomes enforceable when an event of default occurs. These events are described in condition number 9 below. If an event of default occurs, the redemption of notes will not necessarily be accelerated as described in condition number 6 below.

The issuer will enter into a swap agreement, the material terms of which are described under the heading "*The Swap Agreement*" in this prospectus.

4. Negative Covenants of the Issuer

If any note is outstanding, the issuer will not, unless it is permitted by the terms of the issuer related documents or by the written consent of the note trustee:

- create or permit to subsist any mortgage, charge, pledge, lien or other security interest, including anything which amounts to any of these things under the laws of any jurisdiction, on the whole or any part of its present or future business, assets or revenues, including uncalled capital;
- carry on any business other than relating to the issue of the notes, as described in this prospectus; in carrying on that business, the issuer will not engage in any activity or do anything at all except:
 - (1) preserve, exercise or enforce any of its rights and perform and observe its obligations under the notes, the deed of charge, the paying agency and agent bank agreement, the trust deed, the expenses loan agreement, the swap agreement, the series 06-1 medium term note certificate and the related purpose trust, the corporate services agreement, the underwriting agreement, the bank agreement and any bank mandate regarding the Series 06-1 Issuer Account – collectively called the “issuer related documents”.
 - (2) use, invest or dispose of any of its property or assets in the manner provided in or contemplated by the issuer related documents; or
 - (3) perform any act incidental to or necessary in connection with (1) or (2) above.
- have any subsidiaries, subsidiary business, business of any other kind, employees, premises or interests in bank accounts other than the Series 06-1 Issuer Account unless the account is charged to the note trustee on acceptable terms;
- have any indebtedness, other than indebtedness permitted under the terms of its articles of association or any of the issuer related documents;
- give any guarantee or indemnity for any obligation of any person;
- repurchase any shares of its capital stock or declare or pay any dividend or other distributions to its shareholders;
- consolidate with or merge with or into any person or liquidate or dissolve on a voluntary basis;
- be a member of any group of companies for the purposes of value added tax;
- waive or consent to the modification or waiver of any of the provisions of the issuer related documents without the prior written consent of the note trustee; or
- offer to surrender to any company any amounts which are available for surrender by way of group relief.

5. Interest

Each note will bear interest on its principal amount outstanding from, and including, the closing date. Interest on the Class A1 notes is payable in arrear in euro on each Interest Payment Date. Interest on the Class A2 notes is payable in arrear in sterling on each Interest Payment Date.

If there is a shortfall between the amounts received by the issuer from the swap counterparty or otherwise and the amount of interest due on any class of notes on that Interest Payment Date, that shortfall will be borne by each note in that class in a proportion equal to the proportion that the interest outstanding on the relevant note bears to the total amount of interest outstanding on all the notes of that class. This will be determined on the Interest Payment Date on which the shortfall arises. Payment of the shortfall will be deferred and will be due on the next Interest Payment Date on which funds are available to the issuer, or, if earlier, the 15 October 2012 Interest Payment Date, from payments made to it from the swap counterparty or otherwise on that Interest Payment Date, to make the payment. The shortfall will accrue interest at the rate described for each class of note below plus a margin of 2.0 per cent. per annum, and payment of that interest will also be deferred and will be due on the next Interest Payment Date on which funds are available to the issuer to make the payment or, if earlier, on the 15 October 2012 Interest Payment Date.

Each period beginning on, and including, the Closing Date or any Interest Payment Date and ending on, but excluding, the next Interest Payment Date is called an interest period. The first interest payment for the notes will be made on 15 December 2006, or if that day is not a business day, the next business day after the 15th for the interest period from and including the Closing Date to but excluding 15 December 2006.

Interest will stop accruing on any part of the principal amount outstanding of a note from the date it is due to redeem unless payment of principal is improperly withheld or refused. If this happens it will continue to bear interest in accordance with this condition, both before and after any judgment is given, until whichever is the earlier of the following:

- the day on which all sums due in respect of that note, up to that day, are received by or on behalf of the relevant noteholder; and
- the day which is seven days after the principal paying agent or the note trustee has notified the relevant class of noteholders, in accordance with condition number 14, that it has received all sums due in respect of the relevant class of notes up to that day, except to the extent that there is any subsequent default in payment.

The rate of interest applicable to the notes for each interest period will be determined by the agent bank on the following basis:

On the quotation date for the notes, the agent bank will determine the offered quotation to leading banks in the London interbank market for, (i) in the case of the euro notes, one-month EURIBOR or, in the case of the first interest period, the linear interpolation of 2-month and 3-month EURIBOR and (ii) in the case of the sterling notes, one-month sterling LIBOR or, in the case of the first interest period, the linear interpolation of 2-month and 3-month sterling LIBOR.

sterling LIBOR:

- (1) The relevant sterling LIBOR will be determined by reference to the British Bankers Association sterling LIBOR Rates display as quoted on the Moneyline Telerate Service display page designated 3750. If the display page designated 3750 stops providing these quotations, the replacement service for the purposes of displaying this information will be used. If the replacement service stops displaying the information, any page showing this information will be used. If there is more than one service displaying the information, the one previously approved in writing by the note trustee will be used;

In each case above, the determination will be made as at or about 11.00 a.m., London time, on that date. These are called the “**sterling screen rates**” for the sterling notes.

In this section, a “**quotation date**” means the first day of an interest period.

- (2) if, on any quotation date, the sterling screen rate is unavailable, the agent bank will:
 - request the principal London office of each of four major banks – called “**sterling reference banks**” – in the London interbank market selected by the agent bank to provide the agent bank with its offered quotation to leading banks of the equivalent of the sterling screen rate on that quotation date in an amount that represents a single transaction in that market at that time; and
 - calculate the arithmetic mean, rounded upwards to four decimal places, of those quotations;
- (3) if on any quotation date the screen rate is unavailable and only two or three of the sterling reference banks provide offered quotations, the rate of interest for that interest period will be the arithmetic mean of the quotations as last calculated in (2) above; and
- (4) if fewer than two sterling reference banks provide quotations, the agent bank will determine the arithmetic mean, rounded upwards to four decimal places of the rates quoted by major banks in London, selected by the agent bank at approximately 11.00 a.m. London time on the relevant quotation date, to leading banks for a period equal to the relevant interest period and in an amount that is representative for a single transaction in that market at that time, for loans in sterling.

EURIBOR:

- (1) The relevant EURIBOR will be determined by reference to the rate for deposit in euro for the relevant interest period displayed on the Telerate Page 248 as of 11.00 a.m., Brussels time on the relevant quotation date. If the display page designated 248 stops providing these quotations, the replacement service for the purposes of displaying this information will be used. If the replacement service stops displaying the information, any page showing this information will be used. If there is more than one service displaying the information, the one previously approved in writing by the note trustee will be used;

In each case above, the determination will be made as at or about 11.00 a.m., Brussels time, on that date. These are called the “euro screen rates” for the euro notes.

In this section, a “quotation date” means the second business day before the first day of an interest period.

- (2) if, on any quotation date, the euro screen rate is unavailable, the agent bank will:
- request the principal euro-zone office of each of four major banks – called “euro reference banks” – in the euro zone interbank market selected by the agent bank to provide the agent bank with its offered quotation to leading banks of the equivalent of the euro screen rate on that quotation date in an amount that represents a single transaction in that market at that time; and
 - calculate the arithmetic mean, rounded upwards to four decimal places, of those quotations;
- (3) if on any quotation date the euro screen rate is unavailable and only two or three of the euro reference banks provide offered quotations, the rate of interest for that interest period will be the arithmetic mean of the quotations as last calculated in (2) above; and
- (4) if fewer than two euro reference banks provide quotations, the agent bank will determine the arithmetic mean, rounded upwards to four decimal places of the rates quoted by major banks in the euro zone, selected by the agent bank at approximately 11.00 a.m. Brussels time on the relevant quotation date, to leading banks for a period equal to the relevant interest period and in an amount that is representative for a single transaction in that market at that time, for loans in euro.

The rate of interest for each interest period for the Class A1 notes will be the sum of:

- 2.45 per cent. per annum; and
- the euro screen rate or the arithmetic mean calculated to replace the euro screen rate.

The rate of interest for each interest period for the Class A2 notes will be the sum of:

- 2.45 per cent. per annum; and
- the sterling screen rate or the arithmetic mean calculated to replace the sterling screen rate.

If the agent bank is unable to determine the screen rate or an arithmetic mean to replace it, as described in (2), (3) and (4) the rates of interest for any interest period will be as follows:

- for the Class A1 notes the rate will be the sum of 2.45 per cent. per annum and the euro screen rate or arithmetic mean last determined for the Class A1 notes and
- for the Class A2 notes the rate will be the sum of 2.45 per cent. per annum and the sterling screen rate or arithmetic mean last determined for the Class A2 notes.

The agent bank will, as soon as it can after the quotation date for each interest period, calculate the amount of interest payable on each note for that interest period. The amount of interest will be calculated by applying the rate of interest for that interest period to the principal amount outstanding of that note during that interest period, multiplying the product by the actual number of days in that interest period divided by (i) 360 (in the case of the euro notes) and (ii) 365, or if that interest period ends in a leap year, by 366, (in the case of the sterling notes) and rounding to the nearest euro 0.01, half a cent being rounded upwards (in the case of the euro notes) or to the nearest pound sterling 0.01, half a penny being rounded upwards (in the case of the sterling notes).

On each Interest Payment Date, the agent bank will determine the actual amount of interest which will be paid on the notes on that Interest Payment Date and the amount of any shortfall on the notes for that interest period and the amount of interest on any shortfall which will be paid on that Interest Payment Date. The amount of any interest on the shortfall will be calculated by applying the relevant rate of interest for those notes plus a margin of 2.0 per cent. per annum, to the sum of the shortfall and accrued interest on shortfall from prior interest periods which remains unpaid, multiplying by the actual number of days in the relevant interest period and dividing by (i) 360 (in the case of the euro notes) and (ii) 365, or if that interest period ends in a leap year, by 366, (in the case of the sterling notes) and rounding to the nearest euro 0.01, half a cent being rounded upwards (in the case of the euro notes) or to the nearest pound sterling 0.01, half a penny being rounded upwards (in the case of the sterling notes).

If, on any Interest Payment Date, the amount available to the issuer, from the swap counterparty is insufficient (through shortfall in the amounts available from the series 06-1 medium term note certificate or otherwise) to pay in full the amount of interest due on a class of notes, any outstanding shortfall and accrued interest on shortfall, due on that Interest Payment Date, that amount will be applied first to the payment of the interest due on that class of notes, secondly to the payment of any outstanding shortfall and thereafter to the payment of any accrued interest on shortfall for that class of notes.

The rates and amounts determined by the agent bank will be notified to the issuer, trustee and paying agent and published in accordance with condition number 15 as soon as possible after these parties have been notified.

The issuer, the paying agents, the note trustee, the reference banks, the agent bank and the noteholders will be bound by the determinations properly made as described above and none of the reference banks, the agent bank or the note trustee will be liable in connection with the exercise or non-exercise by them of their powers, duties and discretions for those purposes.

If the agent bank fails to make a determination or calculation required as described above, the note trustee, or its appointed agent, without accepting any liability for it, will make the determination or calculation as described above. If this happens, the determination or calculation will be deemed to have been made by the agent bank.

The issuer will ensure that there will be four reference banks while there are notes outstanding.

6. Redemption and Purchase

The issuer is only entitled to redeem the notes as provided in paragraphs (1), (2), (3) and (4) below.

(1) Scheduled Redemption

Class A1 notes:

Unless previously purchased and cancelled or unless the Regulated Amortisation Period, Partial Amortisation Period or Rapid Amortisation Period has already started, all Class A1 notes will be redeemed on the Series 06-1 Scheduled Redemption Date, unless there is a shortfall between the amount in the Series 06-1 Issuer Account referable to the aggregate Base Currency PAO of the Class A1 notes (being the amount equal to the proportion that the Class A1 notes bears to aggregate Base Currency PAO of the Class A notes on the Series 06-1 Scheduled Redemption Date) and the total amount payable to the swap counterparty under the swap agreement. If there is such a shortfall, the Class A1 notes will be redeemed proportionately with the amount in the Series 06-1 Issuer Account referable to the Class A1 notes after being exchanged under the terms of the swap agreement. The Rapid Amortisation Period will then begin. The payments will be made (*pari passu* with payments on the Class A2 notes) in no order of preference proportionately between all Class A1 notes.

Class A2 notes:

Unless previously purchased and cancelled or unless the Regulated Amortisation Period, Partial Amortisation Period or Rapid Amortisation Period has already started, all Class A2 notes will be redeemed on the Series 06-1 Scheduled Redemption Date, unless there is a shortfall between the amount in the Series 06-1 Issuer Account referable to the Class A2 notes (being the amount equal to the proportion that the aggregate Base Currency PAO of the Class A2 notes bears to the aggregate Base Currency PAO of the Class A notes on the Series 06-1 Scheduled Redemption Date) and the total amount due and payable on the Class A2 notes. If there is such a shortfall, the Class A2 notes will be redeemed proportionately with the amount in the Series 06-1 Issuer Account referable to the Class A2 notes. The Rapid Amortisation Period will then begin. The payments will be made (*pari passu* with all payments made on the Class A1 notes) and in no order of preference and proportionately between all Class A2 notes.

If the Rapid Amortisation Period begins as a result of there being insufficient funds to repay principal and pay interest on the Class A notes, as described above, then on each Interest Payment Date after that, the Class A notes will be redeemed, to the extent of amounts available to the issuer, after the appropriate amounts are exchanged under the swap agreement in respect of the euro notes, for each note of a class in the proportion that the Base Currency PAO of that note bears to the total Base Currency PAO of the notes of that class. This will happen until the earlier

of the time when each Class of notes has been paid in full and the October 2012 Interest Payment Date.

On each Interest Payment Date, the agent bank will determine for each class of notes the following:

- the amount of principal repayable on each note of that class; and
- the principal amount outstanding of each note of that class on the first day of the next interest period, after deducting any principal payment due to be made on each note of that class on that Interest Payment Date.

The amounts and dates determined by the agent bank will be notified to the issuer, the paying agents and the note trustee and published in accordance with condition number 15 as soon as possible after these parties have been notified.

The issuer, the paying agents, the note trustee and the noteholders will be bound by the determinations properly made as described above and neither the agent bank nor the note trustee will be liable for the exercise or non-exercise by it of its powers, duties and discretions for those purposes.

If the agent bank fails to make a determination as described above, the note trustee will calculate the principal payment or principal amount outstanding as described above, and each of these determinations or calculations will be deemed to have been made by the agent bank. If this happens, the determination will be deemed to have been made by the agent bank.

(2) Mandatory Early Redemption

If the Regulated Amortisation Period, Partial Amortisation Period or the Rapid Amortisation Period begins before the series 06-1 scheduled redemption date, on each subsequent Interest Payment Date to such event each Class A1 note and Class A2 note will be redeemed (*pro rata* and *pari passu*), in the proportion that each note's Base Currency PAO bears to the total principal amount outstanding of the notes of that class, to the extent of the amount which is deposited into the Series 06-1 Issuer Account towards redemption of the series 06-1 medium term note certificate – after the amounts related to the Class A1 notes have been exchanged for euro under the swap agreement or by the note trustee in the spot exchange market if the swap agreement has been terminated. This will happen until the earliest of:

- the date on which the relevant class of notes has been redeemed in full; or
- the October 2012 Interest Payment Date.

(3) Optional Redemption

The issuer may by not less than thirty and not more than sixty days prior notice to the trustee and without the need to obtain the prior consent of the note trustee or the noteholders redeem all of the remaining notes on the next following Interest Payment Date together with all accrued interest, deferred interest and additional interest if any if the principal balance of the remaining notes is less than 10 per cent. of their original principal balance and the note trustee is satisfied that the issuer will have funds available to it to make the required payment on that Interest Payment Date.

(4) Final Redemption

If the notes have not previously been purchased and cancelled or redeemed in full as described in this condition number 6, the notes will be finally redeemed at their then principal amount outstanding on the October 2012 Interest Payment Date, together with, in each case, all accrued and unpaid interest, shortfall and interest on shortfall, if any.

The issuer or its parent may buy notes at any price. Any notes that are redeemed or purchased pursuant to these provisions will be cancelled at that time and may not be reissued or resold.

You are required, at its request, to sell all of your notes to Gracechurch Card (Holdings) Limited, pursuant to the option granted to it by the note trustee, on your behalf. The option is granted to acquire all, but not some only, of the notes, plus accrued interest on them, for one penny per sterling note and one cent per euro note, on the date upon which the note trustee gives written notice to Gracechurch Card (Holdings) Limited that it has determined, in its sole opinion, that all amounts outstanding under the notes have become due and payable and there is no reasonable likelihood of there being any further realisations, whether arising from an enforcement of the note

trustee's security or otherwise, which would be available to pay all such amounts outstanding under the notes.

This is called the “**post maturity call option**”.

You acknowledge that the note trustee has the authority and the power to bind you in accordance with the terms and conditions set out in the post maturity call option and, by subscribing or acquiring, as the case may be, for your note(s), you agree to be bound in this way.

7. Payments

Payments of principal and interest in respect of the notes will be made to the persons in whose names the global note certificates are registered on the register at the opening of business in the place of the registrar's specified office on the fifteenth day before the due date for such payment. Such date is called the “**record date**”. Payments will be made by wire transfer of immediately available funds, if the registered holder has provided wiring instructions no less than five business days prior to the record date, or otherwise by check mailed to the address of the registered holder as it appears in the register at the opening of business on the record date. In the case of the final redemption, and provided that payment is made in full, payment will only be made against surrender of those global note certificates to the registrar.

The note trustee will not be responsible for any deficiency which may arise because it is liable to tax in respect of the proceeds of any security.

Similar provisions in respect of the indemnification of the security trustee are set out in the transaction documents.

8. Taxation

Payments of interest and principal will be made without making any deductions for any tax imposed by any jurisdiction having power to tax unless a deduction is required by the law of the relevant jurisdiction which has power to tax. If a deduction for tax is made, the paying agent will account to the relevant authority for the amount deducted. Neither the issuer nor any paying agent is required to make any additional payments to noteholders for any deductions made for tax.

9. Events of Default

If any of the following events occurs and is continuing it is called an “**event of default**”:

- the issuer fails to pay any amount of principal on the notes within 7 days of the date payment is due or fails to pay any amount of interest on the notes within 15 days of the date payment is due; or
- the issuer fails to perform or observe any of its other obligations under the notes, the trust deed, the deed of charge or the paying agency and agent bank agreement other than any obligation to pay any principal or interest on the notes, and, except where that failure is incapable of remedy, it remains unremedied for 30 days after the note trustee has given written notice of it to the issuer, certifying that the default is, in its opinion, materially prejudicial to the interests of the noteholders; or
- the early termination, without replacement, of a swap agreement as described in this prospectus under “*The Swap Agreement: Common Provisions of the Swap Agreement*”; or
- a judgment or order for the payment of any amount is given against the issuer and continues unsatisfied and unstayed for a period of 30 days after it is given or, if a later date is specified for payment, from that date; or
- a secured party or encumbrancer takes possession or a receiver, administrative receiver, administrator, examiner, manager or other similar officer is appointed, of the whole or any part of the business, assets and revenues of the issuer or an enforcement action is begun for unpaid rent or execution is levied against any of the assets of the issuer; or
- the issuer becomes insolvent or is unable to pay its debts as they fall due; or
- an administrator or liquidator of the issuer or the whole or any part of the business, assets and revenues of the issuer is appointed, or an application for an appointment is made; or

- the issuer takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its indebtedness or any guarantee of indebtedness given by it; or
- the issuer stops or threatens to stop carrying on all or any substantial part of its business; or
- an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the issuer; or
- any action, condition or thing at any time required to be taken, fulfilled or done in order:
 - (1) to enable the issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under and in respect of the notes and the issuer related documents; or
 - (2) to ensure that those obligations are legal, valid, binding and enforceable, except as that enforceability may be limited by applicable bankruptcy, insolvency, moratorium, reorganisation or other similar laws affecting the enforcement of the rights of creditors generally and that that enforceability may be limited by the effect of general principles of equity,
 is not taken, fulfilled or done; or
- it is or will become unlawful for the issuer to perform or comply with any of its obligations under or in respect of the notes or the related documents; or
- all or any substantial part of the business, assets and revenues of the issuer is condemned, seized or otherwise appropriated by any person acting under the authority of any national, regional or local government; or
- the issuer is prevented by any person acting under the authority of any national, regional or local government from exercising normal control over all or any substantial part of its business, assets and revenues.

If an event of default occurs then the note trustee may give an enforcement notice or appoint a receiver if it chooses and if it is indemnified to its satisfaction.

If an event of default occurs then the note trustee shall be bound to give an enforcement notice if it is indemnified to its satisfaction and it is:

- required to by the swap counterparty;
- required to by holders of at least one-quarter of the aggregate Base Currency PAO of the class A notes, if any remain outstanding; or
- directed by an extraordinary resolution, as defined in the trust deed, of holders of outstanding class A notes.

An “**enforcement notice**” is a written notice to the issuer declaring the notes to be immediately due and payable. When it is given, the notes will become immediately due and payable at their principal amount outstanding together with accrued interest without further action or formality. Notice of the receipt of an enforcement notice shall be given to the noteholders as soon as possible. A declaration that the notes have become immediately due and payable will not, of itself, accelerate the timing or amount of redemption of the notes as described in condition number 6.

10. Prescription

Your notes will become void if they are not presented within the time limit for payment. That time limit is ten years from their due date. If there is a delay in the principal paying agent receiving the funds, the due date, for the purposes of this time limit, is the date on which it notifies you, in accordance with condition number 15, that it has received the relevant payment.

11. Replacement of Note Certificates

If any note certificates are lost, stolen, mutilated, defaced or destroyed, you can replace them at the specified office of the registrar. You will be required to both pay the expenses of producing a replacement and comply with the issuer’s reasonable requests for evidence, security and indemnity. You must surrender any defaced or mutilated note certificates before replacements will be issued.

12. Note Trustee and Agents

The note trustee is entitled to be indemnified and relieved from responsibility in certain circumstances and to be paid its costs and expenses in priority to your claims.

In the exercise of its powers and discretions under the conditions and the trust deed, the note trustee will consider the interests of the noteholders as a class and will not be responsible for any consequence to you individually as a result of you being connected in any way with a particular territory or taxing jurisdiction.

In acting under the paying agency and agent bank agreement, and in connection with your notes, the paying agents and the agent bank act only as agents of the issuer and the note trustee and do not assume any obligations towards or relationship of agency or trust for or with you.

The note trustee and its related companies are entitled to enter into business transactions with the issuer, Barclays Bank PLC or related companies of either of them without accounting for any profit resulting from those transactions.

The issuer can, at any time, vary or terminate the appointment of any paying agent or the agent bank and can appoint successor or additional paying agents or a successor agent bank. If the issuer does this it must ensure that it maintains the following:

- a principal paying agent;
- a paying agent in London;
- an agent bank; and
- a registrar.

Notice of any change in the paying agents, agent bank, registrar or their specified offices shall be promptly given to you in accordance with condition number 15.

13. Meetings of Noteholders, Modification and Waiver, Substitution and Addition

Meetings of Noteholders

The trust deed contains provisions for convening single and separate meetings of each class of noteholders to consider matters relating to the notes, including the modification of any provision of the conditions or the trust deed. Any modification may be made if sanctioned by an extraordinary resolution.

The quorum for any meeting convened to consider an extraordinary resolution will be two or more persons holding or representing a clear majority of the aggregate Base Currency PAO of the relevant class of notes for the time being outstanding.

Certain terms including the date of maturity of the notes, any day for payment of interest on the notes, reducing or cancelling the amount of principal or the rate of interest payable in respect of the notes or altering the currency of payment of the notes, require a quorum for passing an extraordinary resolution of two or more persons holding or representing in total not less than 75 per cent. of the total Base Currency PAO of the relevant class of notes. These modifications are called “**Basic Terms Modifications**”.

Subject to the foregoing, any extraordinary resolution duly passed shall be binding on all noteholders, whether or not they are present at the meeting at which such resolution was passed. The majority required for an extraordinary resolution shall be 75 per cent. of the votes cast on that extraordinary resolution.

Modification and Waiver

The note trustee may agree, without the consent of the noteholders, (1) to any modification – except a Basic Terms Modification – of, or to the waiver or authorisation of any breach or proposed breach of, the notes or any other related agreement, which is not, in the opinion of the note trustee, materially prejudicial to the interests of the noteholders or (2) to any modification of any of the provisions of the terms and conditions or any of the related agreements which, in the opinion of the note trustee, is of a formal, minor or technical nature or is to correct a manifest or proven error. Any of those modifications, authorisations or waivers will be binding on the noteholders and, unless the note trustee agrees otherwise, shall be promptly notified by the issuer to the noteholders in accordance with condition number 15.

Substitution and Addition

The note trustee may also agree to the substitution of any other body corporate in place of the issuer as principal debtor under the trust deed and the notes and in the case of such a substitution or addition the note trustee may agree, without the consent of the noteholders, to a change of the law governing the notes and/or the trust deed provided that such change would not in the opinion of the trustee be materially prejudicial to the interests of the noteholders. Any such substitution or addition will be promptly notified to the noteholders in accordance with condition number 15.

Enforcement

At any time after the notes become due and repayable and without prejudice to its rights of enforcement in relation to the security, the note trustee may, at its discretion and without notice, institute such proceedings as it thinks fit to enforce payment of the notes, including the right to repayment of the notes together with accrued interest thereon, and shall be bound to do so only if it has been so directed by an extraordinary resolution of the noteholders of the relevant class.

No noteholder may institute any proceedings against the issuer to enforce its rights under or in respect of the notes or the trust deed unless (1) the note trustee has become bound to institute proceedings and has failed to do so within a reasonable time and (2) the failure is continuing. Notwithstanding the previous sentence and notwithstanding any other provision of the trust deed, the right of any noteholder to receive payment of principal of and interest on its notes on or after the due date for the principal or interest, or to institute suit for the enforcement of payment of that interest or principal, may not be impaired or affected without the consent of that noteholder.

14. Interpretation

In these Conditions:

“**Base Currency PAO**” means, (1) in relation to the sterling notes, the principal amount outstanding of the sterling notes and (2) in relation to the euro notes, the sterling equivalent of the principal amount outstanding of the euro notes calculated using the fixed exchange rate in the swap agreement, being £1=€1.4855, or, if the applicable currency swap agreement is not then in place, calculated using the then Euro exchange rate for sterling in the spot exchange market.

“**principal amount outstanding**” means in relation to a note on any date, the principal amount of that note on the date of issue less the aggregate amount of all principal payments in respect of that note that have been paid by the issuer to the noteholder concerned under the terms and conditions of the notes prior to such date;

15. Notices

Any notice to you will be deemed to have been validly given if published in a leading English language daily newspaper in London – which is expected to be the *Financial Times* – and will be deemed to have been given on the day it is first published.

Any notice specifying a rate of interest, an interest amount, an amount of shortfall or interest on it, principal payment or a principal amount outstanding will be treated as having been duly given if the information contained in that notice appears on the relevant page of the Reuters Screen or other similar service approved by the note trustee and notified to you. The notice will be deemed given when it first appears on the screen. If it cannot be displayed in this way, it will be published as described in the previous paragraph.

Copies of all notices given in accordance with these provisions will be sent to the London Stock Exchange Company Announcements Office, Clearstream, Luxembourg and Euroclear.

16. Currency Indemnity

You can be indemnified against losses you suffer from the use of an exchange rate to convert sums recovered by you in litigation against the issuer, which is different to the rate you ordinarily use. You must request this indemnity in writing from the issuer.

This indemnity constitutes a separate and independent obligation of the issuer and shall give rise to a separate and independent cause of action.

17. Governing Law and Jurisdiction

The notes, swap agreement and trust deed are governed by English Law and the English courts have non-exclusive jurisdiction in connection with the notes.

The Swap Agreement

General

The issuer will enter into the swap agreement on the closing date. There is no separate interest rate cap agreement for any of the notes. In connection with the swap agreement, the swap counterparty and the Issuer will enter into a collateral support annex in respect of certain obligations under the swap agreement.

Under the swap agreement between the issuer and the swap counterparty, the issuer will pay to the swap counterparty:

- an initial payment of euros, on the closing date, in an amount equal to the initial balance of the Class A1 notes; and
- on each transfer date after the closing date, the lesser of (1) the sterling amount equal to the interest and principal, if any, received by the issuer from the MTN Issuer on the series 06-1 medium term note certificate, including any MTN Issuer additional interest payments (to extent required) and after deducting the costs and expenses of the issuer, and (2) the amounts due and payable to the swap counterparty under the swap agreement.

The swap counterparty will pay to the issuer:

- an initial payment in sterling, on the closing date, in an amount equal to the euro amount of the initial balance of the Class A1 notes converted into sterling at the fixed exchange rate; and
- on each Interest Payment Date after the closing date, sums in euro equal to the interest payable and, if any, principal repayable to holders of the Class A1 notes on that Interest Payment Date, as set out in the terms and conditions of the Class A1 notes.

The swap agreement provides that payments made under it are to be reduced in the event that any amount due and payable to the issuer under the series 06-1 medium term note certificate is deferred by the MTN Issuer under the terms of the series 06-1 medium term note certificate such that the issuer does not have sufficient funds to make the scheduled payments under the swap agreement. This is to prevent that amount in euros being payable by the swap counterparty before it receives the corresponding sterling amount from the issuer under the swap agreement. There will be a corresponding increase in the amounts payable under the swap agreement to make up this shortfall if the deferred amount is subsequently received by the issuer. The MTN Issuer will be liable to pay deferred interest on any such deferred amount, and the issuer will be liable to pay that deferred interest on to the noteholders in the order of priorities set out in the terms and conditions of the notes, after converting it into euros under the swap agreement. You should be aware that if withholding tax is levied on the series 06-1 medium term note certificate, payments to the issuer will be reduced accordingly. Such reduced payments would not be treated as deferred amounts – and, accordingly, would not bear deferred interest – and neither the issuer nor the swap counterparty is obliged to make up the shortfall.

The fixed sterling to euro exchange rate, which we refer to as the fixed exchange rate, has been set at £1=€1.4855.

Common Provisions of the Swap Agreement

The swap agreement provides that if the short-term unsecured debt rating of the swap counterparty is withdrawn or reduced below “A-1+” by Standard & Poor’s or P-1 by Moody’s or if the long-term unsecured debt rating of the swap counterparty is withdrawn or reduced below “A1” by Moody’s, then within 30 days following that event, the swap counterparty will be required to take one of the following steps:

- if such downgrade or withdrawal is by Moody’s:
 - transfer its rights and obligations under the swap agreement to a suitably rated replacement counterparty; or
 - obtain a suitably rated co-obligor in respect of the obligations of the counterparty under the swap agreement; or
 - take such other action as may be agreed with Moody’s; or
 - within 30 days of such downgrade, lodge collateral in an amount determined pursuant to the credit support annex in support of its obligations under the swap agreement;

provided further that if such Moody's downgrade results in a rating of the swap counterparty below A3 or P1, the swap counterparty will use its best efforts to attempt to: (a) transfer its rights and obligations to a suitably rated counterparty, (b) find a suitably rated co-obligor, or (c) take such other action as may be agreed with Moody's; pending compliance with (a), (b) or (c), the swap counterparty will post collateral in an amount determined pursuant to the credit support annex;

- if such downgrade or withdrawal is by Standard & Poor's:
 - within 30 days of such downgrade or withdrawal, transfer its rights and obligations under the swap agreement to a suitably rated replacement counterparty; or
 - within 30 days of such downgrade or withdrawal, obtain a suitably rated guarantee of the obligations of the swap counterparty under the swap agreement; or
 - within 30 days of such downgrade, lodge collateral in an amount determined pursuant to the credit support annex in support of its obligations under the swap agreement; or
 - find any other solution acceptable to Standard & Poor's to maintain the then current rating of the notes.

Termination of the Swap Agreement

The swap agreement will, or may, in the case of the third bullet point below, terminate on the earliest of:

- the Distribution Date on which there is no further obligation to make a payment under the series 06-1 medium term note certificate;
- the October 2012 Interest Payment Date;
- the trustee has enforced the security in respect of the relevant class of notes in accordance with the terms and conditions and the proceeds thereof have been distributed in full; and
- the occurrence of an early swap termination event as described below.

The swap agreement may be terminated early in the following circumstances – each called an “early swap termination event”:

- at the option of one party, if there is a failure by the other party to pay any amounts due under the swap agreement;
- upon the occurrence of an insolvency of either party, merger without an assumption of the obligations under the swap agreement, or changes in law resulting in illegality;
- if as a result of a change in applicable law, withholding taxes would be imposed by any jurisdiction on payments to the issuer under the series 06-1 medium term note certificate or on any payments made or required to be made by the swap counterparty to the issuer or by the issuer to the swap counterparty under the swap agreement and there are no reasonable measures that the swap counterparty or the issuer can take to avoid their imposition; and
- the issuer determines that it or the paying agent has or will become obligated to deduct or withhold amounts from payments on the related class of notes to be made to any of the related noteholders on the next Interest Payment Date, for tax imposed by any political subdivision or taxing authority of the United Kingdom on the payments as a result of any change in its laws or regulations or rulings, or any change in official position regarding the application or interpretation of its laws, regulations or rulings, which change or amendment becomes effective on or after the date the notes are issued, and there are no reasonable measures the issuer can take to avoid the tax or assessment.

The swap agreement may be terminated following the events described in either of the last two bullet points above only if the issuer is directed by an extraordinary resolution of the holders of the relevant class of notes to terminate the swap agreement.

If notice is given to terminate the swap agreement, the issuer or the swap counterparty may be liable to make a termination payment to the other in respect of the terminated swap agreement. This termination payment will be calculated and made in sterling. The amount of any termination payment will be based on the market value of the terminated swap agreement based on market quotations of the cost of entering into a swap transaction with the same terms and conditions that would have the effect of preserving the respective full payment obligations of the parties. Any such

termination payment could, if the sterling/euro exchange rates have changed significantly, be substantial.

If an early swap termination event occurs, on each Interest Payment Date thereafter, payments of interest and principal payable on the series 06-1 medium term note certificate, including MTN Issuer additional interest, available to make payments on the notes will be converted into euros by the note trustee at the then-prevailing spot exchange rate in the City of London for sterling purchases of euros.

The issuer will apply the euro proceeds of that exchange to pay principal and interest on the notes in the order of priority described under "*Terms and Conditions of the Notes*". Any euro amounts so distributed may not be equal to the euro amounts then due and owing on the notes. Any euro amounts so converted in excess of principal and interest due and payable on that class of notes will be held in the series 06-1 Issuer Account to be applied, if needed to cover any future shortfall in sterling amounts needed for such conversion.

Taxation

Neither the issuer nor the swap counterparty is obliged under the swap agreement to gross up if withholding taxes are imposed on payments made under the swap agreement.

If any withholding tax is imposed on payments due from the issuer under the swap agreement, the swap counterparty will be entitled to deduct amounts in the same proportion from subsequent payments due from it. If that happens MTN Issuer additional interest payments, to the extent available, will be used to cover the shortfall in the payments due from the swap counterparty. If MTN Issuer additional interest payments are not sufficient to cover the shortfall, amounts available to the issuer to make payments on the notes will be reduced by the amount so deducted that is not covered by MTN Issuer additional interest payments.

If any withholding tax is imposed on payments due from the swap counterparty under the swap agreement, the issuer will not be entitled to deduct amounts from subsequent payments due from it and amounts available to the issuer to make payments on the notes will be reduced by the amount so withheld by the swap counterparty.

The Medium Term Note Certificate

On the closing date the MTN Issuer will issue one interest bearing medium term note certificate to the issuer – which we call the “**series 06-1 medium term note certificate**”. The series 06-1 medium term note certificate will mature for redemption on the series 06-1 scheduled redemption date. The Bank of New York in London will act as trustee, depository, issue agent and principal paying agent in relation to the series 06-1 medium term note certificate.

The series 06-1 medium term note certificate is issued in bearer form under a security trust deed and MTN Issuer cash management agreement. Under the terms of the security trust deed and MTN Issuer cash management agreement, Barclays, acting through its corporate lending division at 1 Churchill Place, London E14 5HP, was appointed as cash manager for the medium term notes and certificates – called the “**MTN Issuer cash manager**”.

The medium term notes or certificates will be issued on a non-syndicated continuous basis in series. Previously the MTN Issuer issued the series 99-1 medium term notes (which were repaid in November 2002), the series 02-1, the series 03-1, the series 03-2 (which were repaid in June 2006), the series 03-3 (which were repaid in August 2006), the series 04-1, the series 04-2, the series 05-1, the series 05-2, the series 05-3 and the series 05-4 medium term notes. Medium term notes or certificates issued in respect of any series may differ as to principal, interest and recourse to security. Each series must be constituted by a supplemental deed to the security trust deed and MTN Issuer cash management agreement.

Each new series may differ from any other series in its principal terms and the manner, timing and amounts of distributions made to the holders of that series of medium term notes or certificates. The MTN Issuer will not issue any further medium term notes or certificates in respect of an existing series without the prior consent of the holders of the existing medium term notes in that series, unless the further medium term notes or certificates are fungible with the existing ones.

The series 06-1 medium term note certificate will be issued at par with a right of the MTN Issuer to receive further payments of subscription price as deferred consideration, which we call “**deferred subscription price**”. The MTN Issuer will pay the initial consideration received for the series 06-1 medium term note certificate to the receivables trustee for the purpose of the receivables trust which will permit the MTN Issuer to acquire an undivided beneficial interest in the receivables trust. See “*The Receivables Trust*” and “*Use of Proceeds*”. The initial principal amount of each undivided beneficial interest acquired is the initial Investor Interest for each Class of investor certificates. These will be issued to the MTN Issuer by the receivables trustee. See “*Series 06-1: General*”.

The ability of the MTN Issuer to meet its obligations to pay principal of and interest on the series 06-1 medium term note certificate will be entirely dependent on the receipt by it of funds from the series 06-1 investor certificates and excess interest attributable to series 06-1.

The MTN Issuer and the security trustee will have no recourse to Barclays other than:

- against Barclaycard as transferor under the receivables securitisation agreement for any breach of representations and obligations in respect of the receivables; and
- against Barclaycard as MTN Issuer cash manager under the security trust deed and MTN Issuer cash management agreement for any breach of obligations of the MTN Issuer cash manager.

On the closing date, the MTN Issuer will declare an English law express purpose trust in respect of any funds received by it from the investor certificate and excess interest attributable to series 06-1. This trust will create a right in equity in favour of the holder of the series 06-1 medium term note certificate to require these funds to be applied in making payments on the series 06-1 medium term note certificate.

The obligations of the MTN Issuer and certain other rights of the MTN Issuer under each series of medium term notes or certificates and under the documents relating to them, will be secured under the security trust deed and MTN Issuer cash management agreement, by security interests over the investor certificates. The security for each series will be granted by the MTN Issuer in favour of the security trustee. If the net proceeds of the enforcement of security for a series following a mandatory redemption – after meeting the expenses of the security trustee, the paying agents, the depository and any receiver – are insufficient to make all payments due on the medium

term notes or certificates of that series, the assets of the MTN Issuer securing other series of medium term notes or certificates will not be available for payment of that shortfall.

If the security trust deed and MTN Issuer cash management agreement is enforced, the monies paid to the MTN Issuer by the receivables trustee on each transfer date will be applied:

- first to meet payments due to any receiver appointed under it or to the security trustee and all amounts due for legal fees and other costs, charges, liabilities, expenses, losses, damages, proceedings, claims and demands which have been incurred under the relevant documents and in enforcing the security, together with interest due on these amounts; then
- to the extent not met above, to meet the costs, charges, liabilities, expenses, losses, damages, proceedings, claims and demands of the security trustee; then
- to meet payments of premium (if any), interest and principal on the relevant series of medium term notes or certificates; then
- to meet payments due by the MTN Issuer to any taxation authority; then
- to meet payment of sums due to third parties under obligations incurred in the course of the MTN Issuer's business; then
- to meet payment of any dividends due and unpaid to shareholders of the MTN Issuer; then
- to pay all amounts of MTN Issuer additional interest payments (if any);
- to pay all amounts of excess entitlement consideration; then
- to pay any balance to the liquidator of the MTN Issuer.

The interest rate on the series 06-1 medium term note certificate will be determined by the agent bank in accordance with the series 06-1 medium term note certificate conditions. This is done by reference to the screen rate or other rate set by the agent bank (a) in respect of the first Calculation Period, the linear interpolation of 2-month and 3-month sterling LIBOR as set on the closing date; and (b) in respect of subsequent Calculation Periods, one-month sterling LIBOR as set on the Distribution Date in each month, in each case for pounds sterling in the London interbank market, plus a margin. The margin will be 2.585 per cent. per annum for the series 06-1 medium term note certificate. The interest rate for the first interest period will be determined on the closing date. Interest in respect of the series 06-1 medium term note certificate will be payable in arrear in sterling on each Interest Payment Date. Interest on the series 06-1 medium term note certificate will be paid monthly on each Distribution Date falling during or upon the expiry of each monthly interest period.

Excess interest received by the MTN Issuer under the agreement between beneficiaries will be paid as MTN Issuer additional interest payments on the series 06-1 medium term note certificate concurrently with the interest payments on the series 06-1 medium term note certificate.

If any withholding or deduction for any taxes, duties, assessments or government charges is imposed, levied, collected, withheld or assessed on payments of principal or interest, including MTN Issuer additional interest, on the series 06-1 medium term note certificate by any jurisdiction or any political subdivision or authority in or of any jurisdiction having power to tax, neither the MTN Issuer nor the principal paying agent will be required to make any additional payments to holders of the series 06-1 medium term note certificate for that withholding or deduction.

The occurrence and continuation of the following events is called an MTN Issuer event of default:

- the MTN Issuer fails to pay any amount of principal of the series 06-1 medium term note certificate within 7 days of the due date for its payment or fails to pay any amount of interest on the series 06-1 medium term note certificate within 15 days of its due date; or
- the MTN Issuer fails to perform or observe any of its other obligations under the series 06-1 medium term note certificate, the series 06-1 MTN Issuer supplement, or the security trust deed and MTN Issuer cash management agreement and, except where the failure is incapable of remedy, it remains unremedied for 30 days, in either case, after the security trustee has given written notice to the MTN Issuer, certifying that the failure is, in the opinion of the security trustee, materially prejudicial to the interests of the series 06-1 medium term note certificate holders; or
- the early termination, without replacement, of the swap agreement as described in this prospectus under "*The Swap Agreement: Common Provisions of the Swap Agreement*"; or

- a judgment or order for the payment of any amount is given against the MTN Issuer and continues unsatisfied and unstayed for a period of 30 days after the date it is given or the date specified for payment, if later; or
- a secured party takes possession or a receiver, administrative receiver, administrator, examiner, manager or other similar officer is appointed, of the whole or any part of the undertaking, assets and revenues of the MTN Issuer or an enforcement action is begun for unpaid rent or executions levied against any of the assets of the MTN Issuer; or
- the MTN Issuer becomes insolvent or is unable to pay its debts as they fall due or an administrator or liquidator of the MTN Issuer or the whole or any part of its business, assets and revenues is appointed, or application for any appointment is made, or the MTN Issuer takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its indebtedness or any guarantee of indebtedness given by it or ceases or threatens to cease to carry on all or any substantial part of its business; or
- an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the MTN Issuer; or
- any action, condition or thing at any time required to be taken, fulfilled or carried out in order to (i) enable the MTN Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under and in respect of the medium term notes or certificates and the documents relating to them or (ii) to ensure that those obligations are legal, valid, binding and enforceable, except as the enforceability may be limited by applicable bankruptcy, insolvency, moratorium, reorganisation or other similar laws affecting the enforcement of the rights of creditors generally and as that enforceability may be limited by the effect of general principles of equity, is not taken, fulfilled or, as the case may be, carried out; or
- it is or will become unlawful for the MTN Issuer to perform or comply with any of its obligations under or in respect of the medium term notes or certificates or the documents relating to them; or
- all or any substantial part of the business, assets and revenues of the MTN Issuer is condemned, seized or otherwise appropriated by any person acting under the authority of any national, regional or local government or the MTN Issuer is prevented by any of these people from exercising normal control over all or any substantial part of its business assets and revenues,

If an MTN Issuer event of default occurs then the security trustee will be bound to give an enforcement notice if it is indemnified to its satisfaction and it is:

- required to by holders of at least one-quarter of the aggregate principal amount outstanding of the series 06-1 medium term note certificate; or
- directed by an extraordinary resolution, as defined in the security trust deed and MTN Issuer cash management agreement, of holders of the series 06-1 medium term note certificate.

An MTN Issuer enforcement notice is a written notice to the MTN Issuer declaring the series 06-1 medium term note certificate to be immediately due and payable. When it is given, the series 06-1 medium term note certificate will become immediately due and payable at its principal amount outstanding together with accrued interest without further action or formality. Notice of the receipt of an MTN Issuer enforcement notice shall be given to the holders of the series 06-1 medium term note certificate as soon as possible. A declaration that the series 06-1 medium term note certificate has become immediately due and payable will not, of itself, accelerate the timing or amount of redemption of the series 06-1 medium term note certificate.

When reference is made to the MTN Issuer cash manager it includes any successor to Barclays as MTN Issuer cash manager. The security trust deed and MTN Issuer cash management agreement provides that, as MTN Issuer cash manager, Barclays will service and administer the Series 06-1 Distribution Account.

Barclays, and any successor MTN Issuer cash manager to the MTN Issuer, will be entitled to receive the fee inclusive of VAT, if any, for acting as MTN Issuer cash manager, payable by the MTN Issuer from amounts received as MTN Issuer Costs Amounts from the Series 06-1 Distribution Account.

The MTN Issuer cash manager may not resign, apart from in certain circumstances. The resignation of the MTN Issuer cash manager shall only become effective once a replacement has assumed all of the responsibilities of the MTN Issuer cash manager set out in the security trust deed and MTN Issuer cash management agreement.

Material Legal Issues

Insolvency Act 2000

The UK Insolvency Act 2000 received Royal Assent on 30 November 2000. The Act amends Part I of the UK Insolvency Act 1986 so that the directors of a company which meets certain eligibility criteria can take steps to obtain a moratorium preventing any creditor from enforcing security or taking proceedings to recover its debt for the period in which the moratorium is in force.

The relevant provisions of the Act came into force on 1 January 2003. However, prior to bringing the provisions into force, the Secretary of State of the United Kingdom amended the eligibility criteria by way of statutory instrument in such a way that special purpose vehicles such as the Issuer and the MTN Issuer can no longer be considered to be eligible companies.

The Enterprise Act

The UK Enterprise Act received Royal Assent on 7 November 2002 and came into force on 15 September 2003. Pursuant to the UK Enterprise Act, unless a floating charge was created prior to 15 September 2003, or falls within one of the exemptions contained in the UK Enterprise Act, the holder of a qualifying floating charge will be prohibited from appointing an administrative receiver to a company and consequently, the ability to prevent the appointment of an administrator to such company will be lost.

A floating charge that the issuer and the MTN Issuer will grant pursuant to the terms of the Deed of Charge and the Security Trust Deed respectively is a qualifying floating charge for the purposes of the UK Enterprise Act and will be entered into after 15 September 2003 and as such, unless excepted, the trustee will be prevented from appointing an administrative receiver in respect of the issuer and/or the MTN Issuer. However, this qualifying floating charge will fall within the "capital market arrangement" exception to the prohibition of the appointment of an administrative receiver and accordingly the trustee will still be able to appoint an administrative receiver pursuant to the Security Trust Deed in respect of the MTN Issuer and pursuant to the Deed of Charge in respect of the issuer.

Material Legal Aspects Of The Receivables

Consumer Credit Act 1974

A significant number of the credit transactions that occur on a designated account will be for items of credit extended to a cardholder for an amount up to £25,000. The Consumer Credit Act applies to these transactions and, in whole or in part, the credit or charge card agreement establishing each designated account. This has certain consequences for the designated accounts, including the following:

Enforcement of improperly executed or modified card agreements

If a credit or charge card agreement has not been executed or modified in accordance with the Consumer Credit Act, it may be unenforceable against a cardholder without a court order – and in some instances may be completely unenforceable. As is common with many other UK credit and charge card issuers, some of Barclaycard's credit and charge card agreements do not comply in all respects with the Consumer Credit Act or other related legislation. As a result, these agreements may be unenforceable by Barclaycard against the cardholders. The transferor gives no guarantee that a court order could be obtained if required. With respect to those credit or charge card agreements which may not be compliant, such that a court order could not be obtained, Barclaycard estimates that this would apply to less than 1 per cent. of the aggregate principal receivables in the designated accounts on 31 December 2005. Barclaycard does not anticipate any material increase in this percentage of receivables in the securitised portfolio. In respect of those accounts that do not comply with the Consumer Credit Act it will still be possible to collect payments and seek arrears from cardholders who are falling behind with their payments. The transferor will have no obligation to repay or account to a cardholder for any payments received by a cardholder because of this non-compliance with the Consumer Credit Act. However, if losses arise on these accounts, they will be written off and borne by the investor beneficiary and transferor beneficiary based on their respective interests in the receivables trust.

Liability for supplier's misrepresentation or breach of contract

Transactions involving the use of a credit or charge card in the United Kingdom may constitute transactions under debtor-creditor-supplier agreements. A debtor-creditor-supplier agreement includes an agreement where the creditor, with knowledge of its purpose, advances funds to finance a purchase by the debtor of goods or services from a supplier.

Section 75 of the Consumer Credit Act provides that, if the supplier is in breach of the contract – whether such contract is express or implied by law – between the supplier and a cardholder in certain debtor-creditor-supplier agreements or if the supplier has made a misrepresentation about that contract, the creditor may also be liable to the cardholder for the breach or misrepresentation. The liability of the transferor for a designated account is called a “**Transferor Section 75 Liability**”. In these circumstances, the cardholder may have the right to reduce the amount owed to the transferor under his or her credit or charge card account. This right would survive the sale of the receivables to the receivables trustee. As a result, the receivables trustee may not receive payments from cardholders that it might otherwise expect to receive. As a result, the receivables trustee may not receive the full amount otherwise owed by a cardholder. However, the creditor will not be liable where the cash price of the item or service supplied concerning the claim is £100 or less, or greater than £30,000.

The receivables trustee has agreed to indemnify the transferor for any loss suffered by the transferor arising from any claim under section 75 of the Consumer Credit Act. This indemnity cannot exceed the original outstanding principal balance of the affected charges on the designated account.

The receivables trustee's indemnity will be payable from excess spread on the receivables. Any amounts that Barclaycard recovers from the supplier will reduce Barclaycard's loss for purposes of the receivables trustee's indemnity. Barclaycard will have rights of indemnity against suppliers under section 75 of the Consumer Credit Act. Barclaycard may also be able to charge-back the transaction in dispute to the supplier under the operating regulations of VISA or Mastercard.

If Barclaycard's loss for purposes of the receivables trustee's indemnity exceeds the excess spread available to satisfy the loss, the amount of the excess will reduce the Transferor Interest accordingly.

Transfer of Benefit of Receivables

The transfer by the transferor to the receivables trustee of the benefit of the receivables is governed by English law and takes effect in equity only.

Notice to the cardholders of the assignment to the receivables trustee would perfect the legal title of the receivables trustee to the receivables. The receivables trustee has agreed that notice will not be given to cardholders, unless the transferor's long-term senior unsecured indebtedness as rated by Moody's or Standard & Poor's were to fall below Baa2, BBB or BBB respectively. The lack of notice has several legal consequences.

Until notice is given to the cardholders, each cardholder will discharge his or her obligations under the designated account by making payment to the transferor. Notice to cardholders would mean that cardholders should no longer make payment to the transferor as creditor under the card agreement but should instead make payment to the receivables trustee as assignee of the receivables. If notice is given, and a cardholder ignores it and makes payment to the transferor for its own account, that cardholder would nevertheless still be bound to make payment to the receivables trustee. The transferor, having transferred the benefit of the receivables to the receivables trustee, is the bare trustee of the receivables trustee for the purposes of the collection of the receivables that are the property of the receivables trust and is accountable to the receivables trustee accordingly.

Before the insolvency of the transferor, until notice is given to a cardholder who is a depositor or other creditor of the transferor, equitable set-offs may accrue in favour of that cardholder against his or her obligation to make payments under the card agreement to the transferor. These rights of set-off may result in the receivables trustee receiving less monies than anticipated from the receivables.

The transfer of the benefit of receivables to the receivables trustee has been and will continue to be subject both to any prior equities that have arisen in favour of the cardholder and to any equities that may arise in the cardholder's favour after the assignment. Where notice of the assignment is given to a cardholder, certain rights of set-off may not arise after the date of the notice.

Under the terms of the receivables securitisation agreement, the transferor represents that each receivable assigned to the receivables trust is an eligible receivable – unless the receivable is specified as being an ineligible receivable. The eligibility criteria include that each receivable constitutes the legal, valid and binding obligations of the cardholder enforceable – unless they are not in compliance with the Consumer Credit Act in which case they may only be enforceable with a court order and, in a small number of cases, may be unenforceable – against the cardholder in accordance with its terms. They also include that each receivable is not, save as specifically contemplated by any rule of English law, currently subject to any defence, dispute, set-off or counterclaim or enforcement orders apart from in the limited cases described in the previous sentence.

Notice to the cardholder would perfect the transfer so that the receivables trustee would take priority over any interest of a later encumbrancer or transferee of the transferor's rights who has no notice of the transfer to the receivables trustee.

Notice to the cardholder would prevent the card agreement from being amended by the transferor or the cardholder without the consent of the receivables trustee.

Lack of notice to the cardholder means that, for procedural purposes, the receivables trustee will have to join the transferor as a party to any legal action that the receivables trustee may want to take against any cardholder.

United Kingdom Taxation Treatment Of The Notes

Overview

The summary set out below describes the material United Kingdom withholding tax, stamp duty and stamp duty reserve tax consequences of acquiring, holding and disposing of the notes.

The comments below are based on United Kingdom law and practice at the date of this prospectus. They relate only to the position of persons who are the absolute beneficial owners of their notes and may not apply to certain classes of persons, including dealers and persons who own the notes as trustee, nominee or otherwise on behalf of another person.

The comments below do not necessarily apply where the interest or any other income on the notes is deemed for United Kingdom tax purposes to be the income of a person other than the absolute beneficial owner of the notes in question, for example where a person ordinarily resident in the United Kingdom transfers assets to a non-resident company for the purpose of avoiding United Kingdom tax.

It is suggested that any noteholders who are in doubt as to their position consult their professional advisers.

Taxation of Interest Paid

The notes will constitute “quoted Eurobonds” provided that they are and continue to be listed on a recognised stock exchange. On the basis of the United Kingdom HMRC’s published interpretation of the relevant legislation, securities which are to be listed on a stock exchange in a country which is a member state of the European Union or which is part of the European Economic Area will satisfy this requirement if they are listed by a competent authority in that country and are admitted to trading on a recognised stock exchange in that country; securities which are to be listed on a stock exchange in any other country will satisfy this requirement if they are admitted to trading on a recognised stock exchange in that country. The London Stock Exchange is a recognised stock exchange for these purposes. Whilst the notes are and continue to be quoted Eurobonds, payments of interest on the notes may be made without deduction or withholding for or on account of United Kingdom income tax irrespective of whether the notes are in global or definitive form.

In all cases falling outside the exemption described above, interest on the notes may fall to be paid under deduction of United Kingdom income tax at the lower rate, currently 20 per cent., subject to such relief as may be available for example, under the provisions of any applicable double taxation treaty. Alternatively, there is in certain circumstances an exemption for certain payments between certain companies and partnerships. The latter exemption can apply where (*inter alia*) the person beneficially entitled to the interest is (i) a company resident in the United Kingdom, (ii) a company not resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which is required to bring the interest into account in computing its profits chargeable to United Kingdom corporation tax or (iii) a partnership each member of which is a company falling within (i) or (ii) above.

Provision of Information

Holders should note that where any interest on notes is paid to them, or to any person acting on their behalf, by the issuer or any person in the United Kingdom acting on behalf of the issuer, called a “**paying agent**”, or is received by any person in the United Kingdom acting on behalf of the relevant holder, other than solely by clearing or arranging the clearing of a cheque, called a “**collecting agent**”, then the issuer, the paying agent or the collecting agent as the case may be, may in certain circumstances be required to supply to HMRC details of the payment and certain details relating to the holder, including the holder’s name and address. These provisions will apply whether or not the interest has been paid subject to withholding or deduction for or on account of United Kingdom income tax and whether or not the holder is resident in the United Kingdom for United Kingdom taxation purposes. Where the holder is not so resident, the details provided to HMRC, in certain cases, may be passed by HMRC to the tax authorities of the jurisdiction in which the holder is resident for taxation purposes.

European Union Directive on the Taxation of Savings Income

Under EU Council Directive 2003/48/EC on the taxation of savings income, each Member State is required from 1 July 2005, to provide to the tax authorities of another Member State details of

payments of interest or other similar income paid by a person within its jurisdiction to or collected by such a person for, an individual resident in that other Member State; however, for a transitional period, Austria, Belgium and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at rates rising over time to 35%. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

Also with effect from 1 July 2005, a number of non-EU countries, and certain dependent or associated territories of certain Member States (including Jersey), have agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident in a Member State. In addition, the Member States have entered into reciprocal provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a member state to, or collected by such a person for, an individual resident in one of those territories.

Other Rules Relating to United Kingdom Withholding Tax

1. Where interest has been paid under deduction of United Kingdom income tax, holders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.
2. The references to “**interest**” above mean “**interest**” as understood in United Kingdom tax law. The statements above do not take any account of any different definitions of “interest” or “principal” which may prevail under any other law or which may be created by the terms and conditions of the notes or any related documentation.
3. The above description of the United Kingdom withholding tax position assumes that there will be no substitution of the issuer and does not consider the tax consequences of any such substitution.
4. The notes may be issued at an issue price of less than 100 per cent. of their principal amount. Any discount element on any of these notes will not be subject to any United Kingdom withholding tax pursuant to the provisions mentioned above, but may be subject to reporting requirements as outlined above.

Stamp Duty and Stamp Duty Reserve Tax

No United Kingdom stamp duty or stamp duty reserve tax is payable on the issue or transfer of a note provided that the note does not at any time carry (1) a right to interest, the amount of which exceeds a reasonable commercial return on the nominal amount of the capital of the note or (2) a right on repayment to an amount which exceeds the nominal amount of the capital of the note and is not reasonably comparable with what is generally repayable, in respect of a similar nominal amount of capital, under the terms of issue of loan capital listed on the Official List of the UK Listing Authority and admitted to trading on the London Stock Exchange.

Underwriting

The issuer has agreed to sell and the underwriter has agreed to purchase the principal amount of the notes listed in the table below. The terms of these purchases are governed by an underwriting agreement between, among others, the issuer and Barclays Bank PLC.

	<i>Principal Amount of the Class A1 notes</i>
<i>Underwriter of the Class A1 notes</i>	
Barclays Bank PLC	€60,000,000

	<i>Principal Amount of the Class A2 notes</i>
<i>Underwriter of the Class A2 notes</i>	
Barclays Bank PLC	£71,500,000

The price to the public and underwriting discounts and commissions (i) as a percentage of the principal balance of the Class A1 notes will be 100 per cent. and 1.5 per cent., respectively; and (ii) as a percentage of the principal balance of the Class A2 notes will be 100 per cent. and 1.5 per cent., respectively.

Additional offering expenses are estimated to be £124,688.

United States of America

The notes have not been and will not be registered under the Securities Act or any U.S. state securities laws, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act and applicable state securities laws.

The underwriter has agreed that, except as permitted by the underwriting agreement, it will not offer or sell the notes (i) as part of its distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the date of issuance of the notes, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sale of the notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this and the previous paragraphs have the meanings given to them by Regulation S.

The notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of the notes, an offer or sale of the notes within the United States by a dealer, whether or not such dealer is participating in the offering, may violate the registration requirements of the Securities Act.

The Underwriter represents, warrants and agrees that neither it, nor its affiliates nor any person acting on its or their behalf has engaged or will engage in any directed selling efforts (within the meaning of Regulation S) with respect to the Notes and it and its affiliates and any person acting on its or their behalf has complied with and will comply with the offering restriction requirements of Regulation S under the Securities Act to the extent applicable.

The Underwriter represents, warrants and agrees that neither it, nor its affiliates, nor any persons acting on its or their behalf, (i) has made offers or sales of any security, or solicited offers to buy, or otherwise negotiated in respect of, any security, under circumstances that would require the registration of the Notes under the Securities Act or (ii) has engaged or will engage in any form of general solicitation or general advertising (as those terms are used in Regulation D under the Securities Act) in connection with the offer and sale of the Notes.

United Kingdom

The underwriter has represented and agreed with the issuer that:

- (i) it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000, called the “FSMA” with respect to anything done by it in relation to the notes in, from or otherwise involving the United Kingdom; and
- (ii) it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, any invitation or inducement to engage in investment activity – within the meaning of Section 21 of the FSMA – received by it in connection with the issue or sale of the notes, in circumstances in which Section 21(1) of the FSMA does not apply to the issuer.

The Netherlands

The notes may not be offered, sold, transferred or delivered, as part of their initial distribution, or at any time thereafter, directly or indirectly, other than to individuals or legal entities in The Netherlands who or which trade or invest in securities in the conduct of a profession or trade within the meaning of section 2 of the exemption regulation to the Netherlands Securities Market Supervision Act 1995 as amended from time to time (“*Vrijstellingsregeling Wet toezicht effectenverkeer 1995*”), which includes banks, securities firms, insurance companies, pension funds, investment institutions, central governments, large international and supranational organizations, other institutional investors and other parties, including treasury departments of commercial enterprises, which are regularly active in the financial markets in a professional manner.

Spain

The underwriter represents and agrees that the notes may not be offered or sold in Spain other than by institutions authorised under the Securities Market Law 24/1988 of 28 July (Ley 24/1988, de 28 de Julio, del Mercado de Valores), and Royal Decree 867/2001 of 20 July on the Legal Regime Applicable to Investment Services Companies (Real Decreto 867/2001), de 20 Julio, sobre el Regimen Juridico de las empresas de servicios de inversion), to provide investment services in Spain, and in compliance with the provisions of the Securities Market Law and any other applicable legislation.

Republic of Italy

The underwriter has represented and agreed that the notes are not to be offered or sold in the Republic of Italy.

General

The underwriter has represented and agreed that it has complied and will comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers notes or possesses them or distributes the prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and the issuer shall have no responsibility for it. Furthermore, it will not directly or indirectly offer, sell or deliver any notes or distribute or publish any prospectus, form of application, offering circular, advertisement or other offering material except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations, and all offers, sales and deliveries of notes by it will be made on the same terms.

The underwriter has agreed that it will not circulate or procure the circulation of a prospectus in relation to the Notes in Jersey.

Neither the issuer nor the underwriter represent that notes may at any time lawfully be sold in compliance with any application registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assume any responsibility for facilitating such sale.

With regard to each issue of notes, the underwriter will be required to comply with such other additional or modified restrictions, if any, as the issuer and the underwriter shall agree.

The underwriter will, unless prohibited by applicable law, furnish to each person to whom it offers or sells notes a copy of the prospectus as then amended or supplemented or, unless delivery of the prospectus is required by applicable law, inform each such person that a copy will be made available upon request. The underwriter is not authorised to give any information or to make any

representation not contained in the prospectus in connection with the offer and sale of notes to which the prospectus relates.

This prospectus may be used by Barclays Bank PLC – the transferor, servicer and trust cash manager – for offers and sales related to market-making transactions in the notes. Barclays Bank PLC may act as principal or agent in these transactions. These sales will be made at prices relating to prevailing market prices at the time of sale. Barclays Bank PLC has no obligation to make a market in the notes, and any market-making may be discontinued at any time without notice.

Barclays Bank PLC will be the initial transferor, the servicer, the cash manager for the receivables trust and the series 06-1 medium term note certificate, the transferor beneficiary and excess interest beneficiary, the swap counterparty and the lender under the expenses loan agreement.

Ratings Of The Notes

It is a condition to issuing the class A notes that they be rated at least "BB" or its equivalent by two internationally recognised rating agencies.

Any rating of your notes by a rating agency will indicate:

- its view on the likelihood that you will receive timely interest payments and principal payments by the series 06-1 termination date; and
- its evaluation of the receivables and the availability of the credit enhancement for your notes.

What a rating will not indicate is:

- the likelihood that principal payments will be paid on a scheduled redemption date before the series 06-1 termination date;
- the likelihood that a Pay Out Event will occur;
- the likelihood that a withholding tax will be imposed on noteholders;
- the marketability of your notes;
- the market price of your notes; or
- whether your notes are an appropriate investment for you.

A rating will not be a recommendation to buy, sell or hold the notes. A rating may be lowered or withdrawn at any time.

The issuer will request a rating of the notes from two internationally recognised rating agencies. Rating agencies other than those requested could assign a rating to the notes, and their rating could be lower than any rating assigned by a rating agency chosen by the issuer.

Reporting Accountants

As reporting accountants to the Issuer, PricewaterhouseCoopers LLP has given, and not withdrawn, its consent to the inclusion in this document of its accountants report on Gracechurch Card Notes 2006-A PLC dated 22 September 2006 in the form and context in which it is included.

PricewaterhouseCoopers LLP has authorised the contents of those parts of this prospectus which comprise their report dated 22 September 2006 on the financial statements of Barclaycard Funding PLC at 31 December 2005 and for the year then ended, including the comparative information (as restated to reflect the transition to IFRS) at 31 December 2004 and for the year then ended and their accountants report dated 22 September 2006 on Gracechurch Card Notes 2006-A PLC in the form and context in which it is included for the purposes of paragraph 5.5.4R(2)(f) of the Prospectus Rules. PricewaterhouseCoopers LLP are responsible for its above mentioned reports as part of this prospectus and declare that they have taken all reasonable care to ensure that the information contained in these reports is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the prospectus in compliance with item 1.2 of Annex VII and item 1.2 of Annex IX of the Prospectus Rules. PricewaterhouseCoopers LLP is a member of the Institute of Chartered Accountants in England and Wales.

Legal Matters

Matters of English law relating to the validity of the issuance of the notes will be passed upon for the issuer by Clifford Chance LLP, London, England. Weil, Gotshal & Manges has acted as counsel to the underwriters with respect to the offering of the notes pursuant to this prospectus.

Reports To Noteholders

The servicer will prepare monthly and annual reports that will contain information about the notes. The financial information contained in that part of the listing particulars will not be prepared in accordance with generally accepted accounting principles. Unless and until individual note certificates are issued, the reports will be sent to the depository as holder of the notes. No reports will be sent to you.

Listing And General Information

The listing of the notes on the Official List of the UK Listing Authority and admission to trading of the notes on the regulated market of the London Stock Exchange is expected to be granted before

the closing date subject only to the issue of the notes. The listing of the notes will not become effective if any of the notes are not issued. Before official listing, however, dealings in the notes will be permitted by the London Stock Exchange in accordance with its rules.

The trust cash manager's functions include producing the monthly investor reports required by the series 06-1 supplement to the declaration of trust and trust cash management agreement. These monthly investor reports will be available on Bloomberg and will be disclosed to the issuer and the MTN Issuer.

The issuer confirms that the securitised assets backing the issue of this series of notes have characteristics that demonstrate capacity to produce funds to service any payments due and payable on this series of notes. However, investors are advised that this confirmation is based on the information available to the issuer at the date of the prospectus and the relevant final terms and may be affected by future performance of such securitised assets. Consequently, investors are advised to review carefully the disclosure in the prospectus together with any amendments or supplements thereto and other documents incorporated by reference in the prospectus and, in relation to any series, the relevant final terms.

The MTN Issuer confirms that the securitised assets backing the issue of this series of medium term notes have characteristics that demonstrate capacity to produce funds to service any payments due and payable on this series of medium term notes. However, investors are advised that this confirmation is based on the information available to the MTN Issuer at the date of the prospectus and the relevant final terms and may be affected by future performance of such securitised assets. Consequently, investors are advised to review carefully the disclosure in the prospectus together with any amendments or supplements thereto and other documents incorporated by reference in the prospectus and, in relation to any series, the relevant final terms.

Barclaycard Funding PLC has produced financial statements for year ended 31 December 2004 and the period ended 31 December 2003 which have been prepared in accordance with UK GAAP. Pursuant to section 228(1)(b) of the Companies Act 1985, these financial statements are non-consolidated financial statements of Barclaycard Funding PLC.

ISINs

	<i>ISIN</i>
Class A1 notes	XS0269065396
Class A2 notes	XS0269065719
Loan Note Certificate	XS0269398367

Litigation and Change in Circumstances

The issuer is not, nor has it been, involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware) which may have, or have had since 12 January 2006 (being the date of incorporation of the issuer) a significant effect on its financial position or profitability.

The MTN Issuer is not, nor has it been, involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware) which may have, or have had for the twelve months preceding the date of this prospectus a significant effect on its financial position or profitability.

Significant or Material Change

There has been (i) no significant change in the financial or trading position of the issuer and (ii) no material adverse change in the financial position or prospects of the issuer, since 12 January 2006.

Save as described in the section herein called "The MTN Issuer" at page 40 (with respect to the prospective issuance of the series 06-1 medium term note certificate), there has been (i) no significant change in the financial or trading position and (ii) no material adverse change in the financial position or prospects of the MTN Issuer, since 31 December 2004.

There has been (i) no significant change in the financial or trading position of the receivables trustee and (ii) no material adverse change in the financial position or prospects of the receivables trustee, since 29 September 1999.

Documents Available for Inspection

Copies of the following documents (and prior to the Closing Date, where indicated, draft copies in substantially agreed form) may be inspected until the series 06-1 scheduled redemption date at the offices of Clifford Chance LLP, 10 Upper Bank Street, London E14 5JJ, England during usual business hours on any weekday, apart from Saturdays, Sundays and public holidays, by electronic means:

- master definitions schedule;
- receivables securitisation agreement;
- declaration of trust and trust cash management agreement;
- series 06-1 supplement to declaration of trust and trust cash management;
- beneficiaries servicing agreement;
- agreement between beneficiaries
- trust section 75 indemnity;
- security trust deed and MTN Issuer cash management agreement;
- series 06-1 MTN Issuer supplement to security trust deed and MTN Issuer cash management agreement;
- expenses loan agreement;
- the swap agreement;
- corporate officers agreement;
- underwriting agreement;
- paying agency and agent bank agreement;
- trust deed;
- deed of charge;
- pledge agreement
- post maturity call option;
- form of Class A1 global note certificate;

- form of Class A2 global note certificate;
- form of Class A1 individual note certificate;
- form of Class A2 individual note certificate;
- memorandum and articles of association of the issuer;
- report of independent registered public accounting firm on the issuer;
- memorandum and articles of association of the MTN Issuer;
- report of the independent registered public accounting firm on the MTN Issuer;
- memorandum and articles of association of the receivables trustee; and
- consolidated audited accounts of the MTN Issuer for each of the three years preceding the publication of this prospectus.

ISSUER

Gracechurch Card Notes 2006-A PLC
1 Churchill Place
London E14 5HP

INITIAL TRANSFEROR SERVICER AND TRUST

CASH MANAGER
Barclays Bank PLC
1234 Pavillion Drive
Northampton NN4 7SG

RECEIVABLES TRUSTEE
Gracechurch Receivables Trustee Ltd
26 New Street
St. Helier, Jersey JE2 3RA

NOTE TRUSTEE AND SECURITY TRUSTEE

The Bank of New York, acting through its London branch
One Canada Square
London E14 5AL

PRINCIPAL PAYING AGENT

**The Bank of New York, acting through
its London branch**
One Canada Square
London E14 5AL

REGISTRAR

**The Bank of New York, acting through
its London branch**
One Canada Square
London E14 5AL

LEGAL ADVISERS

*To the Issuer, the MTN Issuer,
the Receivables Trustee and Barclays
as to English law and United States law*
Clifford Chance LLP
10 Upper Bank Street
London E14 5JJ

*To the Receivables Trustee as to
Jersey law*
Bedell Cristin
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*To the underwriters as to English law and
United States law*
Weil, Gotshal & Manges
One South Place
London EC2M 2WG

*To the Note Trustee and the Security Trustee
as to English law and United States law*
Lovells
Atlantic House
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**INDEPENDENT REGISTERED PUBLIC
ACCOUNTING FIRM**

To the Issuer and the MTN Issuer
PricewaterhouseCoopers LLP
Southwark Towers
32 London Bridge Street
London SE1 9SY

To the Receivables Trustee
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AUTHORISED ADVISOR

Barclays Bank PLC
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Canary Wharf
London E14 4BB

Index Of Terms For Prospectus

Acquired Interchange	55
addition date	51
additional accounts	51
Advertisements Regulations	19
Aggregate Investor Indemnity Amount	100
aggregate investor interest	66
Aggregate Transfer Date Required Amount	99
agreement between beneficiaries	105
Agreements Regulations	19
Alternative Clearing System	114
Available Investor Principal Collections	95
Average Principal Receivables	105
Barclaycard Operating Account	68
Barclaycard Proceeds Account	69
Barclays	5
Base Currency PAO	126
Basic Terms Modifications	125
business day	53
Calculation Period	84
cancelled account	53
Class A Floating Allocation	81
Class A Initial Investor Interest	82
Class A Investor Charge-Off	82, 98
Class A Investor Default Amount	98
Class A Investor Interest	82
Class A Monthly Principal Amount	96
Class A Reallocated Principal Required Amount	99
Class A Release Date	101
Class A Required Amount	98
Class A1	81
Class A1 Additional Finance Amount	84
Class A1 Available Calculated Amount	89
Class A1 Available Funds	89
Class A1 cash management fee	89
Class A1 Debt Amount	84
Class A1 Deficiency Amount	84
Class A1 Distribution Ledger	89
Class A1 Excess Spread	91
Class A1 Finance Rate	84
Class A1 Fixed Allocation	95
Class A1 Floating Allocation	81
Class A1 Initial Investor Interest	82
Class A1 Investor Charge-Off	82
Class A1 Investor Default Amount	98
Class A1 Investor Interest	82
Class A1 Monthly Distribution Amount	92
Class A1 Monthly Finance Amount	84
Class A1 Monthly Principal Amount	96
Class A1 Monthly Required Expense Amount	84
Class A1 Required Amount	98
Class A1 servicing fee	89
Class A1 Trustee Payment Amount	102
Class A2	81
Class A2 Additional Finance Amount	90
Class A2 Available Calculated Amount	90
Class A2 Available Funds	90
Class A2 cash management fee	90
Class A2 Debt Amount	90
Class A2 Deficiency Amount	90

Class A2 Distribution Ledger	90
Class A2 Excess Spread	91
Class A2 Finance Rate	90
Class A2 Fixed Allocation	95
Class A2 Floating Allocation	81
Class A2 Initial Investor Interest	82
Class A2 Investor Charge-Off	82
Class A2 Investor Default Amount	98
Class A2 Investor Interest	82
Class A2 Monthly Distribution Amount	92
Class A2 Monthly Finance Amount	90
Class A2 Monthly Principal Amount	96
Class A2 Monthly Required Expense Amount	89
Class A2 Required Amount	98
Class A2 servicing fee	90
Class A2 Trustee Payment Amount	102
Clearstream, Luxembourg	113
closing date	36
collecting agent	138
Companion Series	105
Consumer Credit Act	17
Controlled Deposit Amount	93
Daily Investor Principal Collections	95
defaulted account	53
defaulted receivable	57
deferred subscription price	131
designated account	51
designated accounts	66
Discount Option Receivables	54
Discount Percentage	54
Distribution Date	84
early swap termination event	129
eligible account	56
eligible receivable	57
Eligible Receivables Pool	66
eligible servicer	78
eligible trust cash manager	80
enforcement notice	124
euro reference banks	120
euro screen rates	120
Euroclear	113
event of default	123
excess entitlement consideration	105
Excess Interest	67
Excess Spread	99
Existing Series	84, 85
Existing Series Aggregate Required Monthly Finance Amount Shortfall	85
Existing Series Assigned Excess Spread	105
Existing Series Class	85
Existing Series Class Available Funds	85
Existing Series Class Distribution Ledger	85
Existing Series Class Monthly Finance Amount Shortfall	106
Existing Series Class Monthly Finance Required Amount	106
Existing Series Class Required Monthly Finance Amount	86
Existing Series Class Required Monthly Finance Amount Shortfall	89
Existing Series Excess Entitlement	105
Existing Series Monthly Finance Amount Shortfall	108
Existing Series Monthly Finance Distribution Amount	107
Existing Series Principal Collections Ledger	86
Expense Rate	104
expenses loan agreement	36

Finance Charge Collections Ledger	69
Finance charge receivables	53
Fixed Investor Percentage	94
Floating Investor Percentage	83
FSMA	140
Future Receivables Transfer	51
HMRC	16
holder	115
IFRS	29, 37, 44
Ineligible receivables	57
initial closing date	51
Initial Investor Interest	81, 82
Insolvency Events	71
interchange	24, 55
interest	139
Interest Payment Date	84
Investor Cash Available for Acquisition	69
investor certificate	41
Investor Default Amount	98
Investor Indemnity Amount	100
investor interest	66
Investor Interest	82
Investor Percentage	68
Investor Principal Collections	96
investor servicing fee	76
investor trust cash management fee	76
Investor Trustee Payment Amount	102
issuer related documents	118
Maximum Addition Amount	52
Minimum Aggregate Principal Receivables	105
Minimum Transferor Interest	104, 105
Monthly Loan Expenses Amount	89
MTN Issuer	5
MTN Issuer additional interest payments	105
MTN Issuer cash manager	131
MTN Issuer Costs Amount	89
noteholder	115
notice of assignment	57
OFT	17
Partial Amortisation	93
Partial Amortisation Amount	93, 94
Partial Amortisation Commencement Date	93
Partial Amortisation Period	93
Pay Out Commencement Date	71
Pay Out Event	71
paying agent	138
paying agents	113
permitted additional jurisdiction	57
Permitted investments	67
pool selection date	51
Portfolio Yield	104
post maturity call option	123
principal amount outstanding	126
Principal Collections Ledger	69
principal paying agent	113
Principal receivables	52
Principal Shortfalls	97
Prospectus Rules	8
Qualified Institution	103
quotation date	119, 120
quoted Eurobonds	138

Rapid Amortisation Period	94
Reallocated Class A Principal Collections	99
Reallocated Class A1 Principal Collections	99
Reallocated Class A2 Principal Collections	99
receivables securitisation agreement	51
record date	123
redesignated account	53
redesignated accounts	66
Regulated Amortisation Period	92
Regulated Amortisation Trigger Event	92
regulated market of the London Stock Exchange	1
Regulation S	1
Reinvested Investor Principal Collections	95
related beneficiary debt	65
relevant documents	43
Required Spread Account Amount	101
restricted additional jurisdiction	57
restricted eligible receivable	57
Revolving Period	92
Securities Act	1
securitised portfolio	48
series 02-1 medium term note certificate	9
series 03-1 medium term note certificate	9
series 03-2 medium term note certificate	9
series 03-3 medium term note certificate	10
series 04-1 medium term note certificate	10
series 04-2 medium term note certificate	10
series 05-1 medium term note certificate	10
series 05-2 medium term note certificate	10
series 05-3 medium term note certificate	11
series 05-4 medium term note certificate	11
Series 06-1 Distribution Account	89
Series 06-1 Extra Amount	99
Series 06-1 Issuer Account	109
series 06-1 medium term note certificate	131
Series 06-1 Pay-Out Events	103
Series 06-1 Supplement	81
Series 06-1 Support Amount	108
series 06-1 termination date	94
series 99-1 medium term notes	9
Servicer default	76
servicing fee	75
Shared Principal Collections	97
specialist activities	48
specified Distribution Date	93
Spread Account	101
Spread Account Percentage	101
Stabilising Manager	14
sterling reference banks	119
sterling screen rates	119
successor servicer	76
successor trust cash manager	78
The MTN Issuer	144
Transfer Date Required Amounts	91
transferor acquisition	64
Transferor Cash Available for Acquisition	69
transferor certificate	64
Transferor Ineligible Interest	68
Transferor Interest	66
Transferor Percentage	67
Transferor Section 75 Liability	100, 136

transferor servicing fee	76
transferor trust cash management fee	76
Trust Accounts	67
trust cash management fee	76
Trust cash manager default	78
Trust Pay Out Events	70
Trustee Acquisition Account	67
Trustee Collection Account	67
Trustee Payment Amount	73
Unavailable Principal Collections	97
unutilised excess spread	105
Utilised Excess Entitlement Consideration Amount	106
zero balance account	54

Index Of Appendices

The appendices are an integral part of this prospectus.

	<i>Page</i>
A Accountants Report for Gracechurch Card Notes 2006-A PLC	A-1
B Financial Statements of Barclaycard Funding PLC for the year ended 31 December 2005 and the year ended 31 December 2004	B-1

Gracechurch Card Notes 2006-A PLC

Balance Sheet

as at 22 September 2006

together with the Accountants Report

ACCOUNTANTS REPORT

The following is the text of a report received by the directors of the issuer from PricewaterhouseCoopers LLP, Chartered Accountants, the reporting accountants to the issuer, prepared solely for the purposes of this prospectus:

“The Directors
Gracechurch Card Notes 2006-A PLC
1 Churchill Place
London
E14 5HP

The Directors
Barclays Bank PLC
1 Churchill Place
London
E14 5HP

22 September 2006

Dear Sirs

Gracechurch Card Notes 2006-A PLC (the “Company”).

Introduction

We report on the special purpose financial information set out below. This special purpose financial information has been prepared on the basis of the accounting policies set out in Note 1 for inclusion in the prospectus of Gracechurch Card Notes 2006-A PLC dated 22 September 2006 (the “Prospectus”) relating to the issuance of floating rate asset backed notes. This report is required by item 8.2 of Annex VII to the PD Regulation and is given for the purpose of complying with that item and for no other purpose.

The Company was originally incorporated in England and Wales on 12 January 2006, under the name Pillpark PLC, with register number 5673212. The name of the Company was changed to Gracechurch Card Funding (No.12) PLC on 20 February 2006 and subsequently changed to Gracechurch Card Notes 2006-A PLC on 15 August 2006. The Company has not yet commenced trading, has prepared no financial statements for presentation to its members and has not declared or paid a dividend.

Responsibility

The directors of the Company are responsible for preparing the special purpose financial information on the basis of International Financial Reporting Standards (“IFRS”), as adopted by the European Union and as detailed in Note 1.

It is our responsibility to form an opinion as to whether the special purpose financial information gives a true and fair view, for the purposes of the Prospectus and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the special purpose financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the special purpose financial information and whether the accounting policies are appropriate to the Company’s circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the special purpose financial information is free from material misstatement, whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the special purpose financial information gives, for the purposes of the Prospectus dated 22 September 2006, a true and fair view of the state of affairs of the Company as at the date stated and of its cash flows for the period then ended on the basis of IFRS.

Declaration

For the purposes of Prospectus Rule 5.5.4R(2) we are responsible for this report as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of annex VII of the PD Regulation.

Yours faithfully

PricewaterhouseCoopers LLP

SPECIAL PURPOSE FINANCIAL INFORMATION

Balance Sheet of the Company as at 22 September 2006 is as follows:

	<i>Note</i>	<i>£</i>
Current Assets		
Cash at bank		12,501.50
Total Current Assets		<u>12,501.50</u>
Net Assets		<u>0.00</u>
Capital and Reserves		
Called up Share Capital	2	12,501.50
Equity Shareholders' Funds		<u>12,501.50</u>

Cash Flow Statement of the Company as at 22 September 2006 is as follows:

	<i>Note</i>	<i>£</i>
Cash flow from financing activities		
Net proceeds from share issue		12,501.50
Net cash flows from financing activities		<u>12,501.50</u>
Net increase in cash and cash equivalents		<u>12,501.50</u>
Cash and cash equivalents at 22 September 2006		<u>12,501.50</u>

NOTES TO SPECIAL PURPOSE FINANCIAL INFORMATION

1. Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied throughout the period, unless otherwise stated:

(a) Basis of preparation

This financial information has been prepared on the basis of International Financial Reporting Standards ("IFRS") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") issued by the International Accounting Standards Board.

(b) Reporting Financial Performance

The Company has not traded since incorporation. As a result, no income statement and Statement of Changes in Equity are provided.

(c) Foreign currency translation

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The financial statements are presented in £ sterling, which is the Company's functional currency. The Company has not entered into any foreign currency transactions during the period.

(d) Share Capital

Ordinary shares are classified as equity.

(e) Cash and cash equivalents

Cash comprises cash balances and amounts on deposit in bank accounts. Cash equivalents are short term highly liquid investments that are readily convertible into known amounts of cash, are subject to insignificant risk of changes in value and are held for the purpose of meeting short term cash commitments rather than for investment or other purposes.

2. Called up Share Capital

The Company was incorporated with an authorised share capital comprising 50,000 ordinary shares of £1 each. Two (2) ordinary shares were allotted for cash, fully paid up, on incorporation. On 17 February 2006, 49,998 ordinary shares were allotted quarter paid up.

3. Holding Company and Related Parties

All of the issued share capital of the Company is held by Gracechurch Card (Holdings) Limited ("Holdings") except for one share held by SFM Corporate Services Limited in its capacity as the issuer share trustee. The one share held by the issuer share trustee is held pursuant to the terms of the issuer share trust dated 23 February 2006 with Holdings having the beneficial interest in the issuer share trust. Barclays Bank PLC, the seller, does not own directly or indirectly any of the share capital of the Company.

The Company was formed principally to issue loan notes and purchase the Series 06-1 medium term note certificate from Barclaycard Funding PLC, a subsidiary of Barclays Bank PLC, in connection with the securitisation of credit card receivables by Barclays Bank PLC. For accounting purposes under International Financial Reporting Standards, the Company is deemed to be controlled by Barclaycard Funding PLC and ultimately controlled by Barclays Bank PLC.

Barclays Bank PLC will perform the following roles in connection with the proposed issuance of notes by the Company: the transferor and servicer of the credit card receivables, the trust cash manager and MTN Issuer cash manager, the swap provider, lender under the expenses loan agreement, and arranger and an underwriter to the issue of the notes. Administration services are provided to the Company by Barclays Bank PLC and the Company Secretary is Barcosec Limited."

BARCLAYCARD FUNDING PLC

Directors' Report and Financial Statements

For the year ended 31 December 2005

REGISTERED NUMBER: 2530163

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005

DIRECTORS' REPORT	2
INDEPENDENT AUDITORS' REPORT	5
INCOME STATEMENT	6
STATEMENT OF RECOGNISED INCOME AND EXPENSE	7
BALANCE SHEET	8
CASH FLOW STATEMENT	9
NOTES TO THE FINANCIAL STATEMENTS	10

Barclaycard Funding PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2005

The Directors present their report together with the audited financial statements for the year ended 31 December 2005.

Principal activity and review of business

The principal activity of the Company during the year was to facilitate the securitisation of certain financial assets (credit card receivables) originated by its immediate parent company, Barclays Bank plc through, amongst other things, the issue of asset backed medium term floating rate notes and transactions related thereto. In this respect, £3,497,307,304 of medium term loan notes were issued during the year.

Results and dividends

During the year the Company made a profit after taxation of £187,311 (year ended 31 December 2004 (as restated): profit £146,439). The Directors propose a final dividend of £2.80 (2004: £2.80) per A and B ordinary share of £1 each (totaling £140,000 (2004: £140,000)) for the year ended 31 December 2005. The dividend was approved at the Annual General Meeting held on 25 July 2006. These financial statements do not reflect the dividend payable which will be accounted for in shareholders equity as an appropriation of retained earnings in the year ended 31 December 2006.

The financial statements for 2004 prepared under UK GAAP included a final dividend of £140,000 (see note 20.3), which was approved by the Company at the Annual General Meeting on 9 June 2005. SFM Corporate Services Limited, the owner of 100% of the £1 B Ordinary shares which entitles it to 51% of distributions, has waived its right to this dividend in favour of FamilyLives Limited trading as ParentLine Plus which is a registered charity.

Directors

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

SFM Directors Limited

J S Llewellyn-Jones (appointed 24 May 2005)

R Patel (resigned 24 May 2005)

P G Turner

Directors' interests in shares (as defined by section 325 of the Companies Act 1985)

The Directors have no beneficial interests in the shares of the Company. SFM Directors Limited have no interests in the ordinary shares of Barclays PLC, the ultimate holding Company. Messrs Llewellyn-Jones and Turner's interests in the ordinary shares of Barclays PLC are shown below:

Barclays PLC ordinary shares of 25p each

	<i>At 1 January 2005^(a)</i>	<i>At 31 December 2005</i>
J S Llewellyn-Jones	1,112	1,372
P G Turner	—	498

(a) or date appointed to the Board if later.

Beneficial interests in the table above represent shares held by Directors, either directly or through a nominee, their spouses and children under eighteen. They include any interests held through the Barclays PLC Group Share purchase Plan, details of which can be found in the financial statements of Barclays PLC. In addition, at 31 December 2005 the Directors, together with senior executives of the Barclays Group, were potential beneficiaries in respect of a total of 147,145,847 Barclays PLC ordinary shares of 25p each (1 January 2005 115,031,594 ordinary shares of 25p each in Barclays PLC) held by the trustees of the Barclays Group Employees' Benefit Trusts.

Directors' interests in ordinary shares in Barclays PLC under option under open incentive schemes

	<i>Number held at 1 January 2005^(a)</i>	<i>Granted</i>	<i>During the year Exercised</i>	<i>Lapsed</i>	<i>Number held at 31 December 2005</i>
Sharesave					
J S Llewellyn-Jones	4,728	—	—	—	4,728

More information on Sharesave can be found in the financial statements of Barclays PLC.

Incentive Share Option Plan (ISOP)

	<i>Number held at 1 January 2005^(a)</i>		<i>During the year</i>			<i>Number held at 31 December 2005</i>		
	<i>Target Award Shares</i>	<i>Maximum number over which potentially exercisable</i>	<i>Granted</i>	<i>Maximum number over which potentially exercisable</i>	<i>Exercised</i>	<i>Lapsed</i>	<i>Target Award Shares</i>	<i>Maximum number over which potentially exercisable</i>
			<i>Target Award Shares</i>	<i>Maximum number over which potentially exercisable</i>				
J S Llewellyn-Jones								
EP*	6,000	12,000	—	—	—	—	6,000	12,000
TSR*	8,000	32,000	—	—	—	—	8,000	32,000
P G Turner								
EP*	—	—	—	—	—	—	—	—
TSR*	12,000	48,000	—	—	—	—	12,000	48,000

* EP = Economic Profit

* TSR = Total shareholder returns

(a) or date appointed to the Board if later.

Under the ISOP, participants are granted options over Barclays PLC ordinary shares which are exercisable at the market price set at the time of grant. The number of shares over which options can be exercised depends upon the performance of Barclays PLC. More information on this scheme can be found in the financial statements of Barclays PLC.

Related party transactions

Details of the Company's related party transactions during the period are set out in note 17.

Political and charitable contributions

The company made no political contributions in the year. An amount of £71,400 is to be paid to the registered charity FamilyLives Ltd trading as ParentLine Plus, see comments per results and dividends section above.

Creditors' payment policy

The Company's policy is to follow the DTI's Better Payment Practice Code. The code states that a company should have a clear, consistent policy to settle bills in accordance with payment terms agreed with suppliers, dealing quickly with complaints and advising suppliers of disputes.

Financial risks

Details of the Company's policies over financial and business risk management are set out in note 15.

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. Having reviewed projected cashflows for the Company over the next 12 months, the Directors' believe the Company's cashflows will be sufficient to meet its obligations to pay interest and principal to its note holders and that it is appropriate to prepare the accounts on a going concern basis.

Statement of Directors' responsibilities

The following statement, which should be read in conjunction with the Auditors' Report set out on page 5 is made with a view to distinguishing for shareholders the respective responsibilities of the Directors and of the Auditors in relation to the financial statements.

The Directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss for the financial year.

The Directors consider that in preparing the financial statements on pages 6 to 26

- 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 1985.

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Auditors

PricewaterhouseCoopers LLP have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the next Annual General Meeting.

BY ORDER OF THE BOARD

J S Llewellyn-Jones
Director
28 July 2006

Barclaycard Funding PLC
INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF BARCLAYCARD FUNDING PLC

We have audited the financial statements of Barclaycard Funding PLC for the year ended 31 December 2005 which comprise the Income Statement, the Statement of Recognised Income and Expense, the Balance Sheet, the Cash Flow Statement and the related notes on pages 10 to 26. These financial statements have been prepared under the accounting policies set out on pages 10 to 12.

Respective responsibilities of Directors and Auditors

The Directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted for use in the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors' in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with IFRSs as adopted for use in the European Union, of the state of the company's affairs as at 31 December 2005 and of its profit and cash flows for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

31 July 2006

Barclaycard Funding PLC
INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2005

	<i>Note</i>	<i>2005</i> £	<i>2004</i> £ <i>(As restated)</i>
Continuing operations			
Interest receivable and similar income	4	210,199,760	139,819,490
Interest payable and similar charges	5	<u>(209,838,047)</u>	<u>(139,549,041)</u>
		361,713	270,449
Administration expenses	6	<u>(94,126)</u>	<u>(61,251)</u>
Profit before taxation		267,587	209,198
Taxation	7	<u>(80,276)</u>	<u>(62,759)</u>
Profit after taxation	14	<u>187,311</u>	<u>146,439</u>
Dividends			
Final dividend^(a)		<u>140,000</u>	<u>140,000</u>

Notes

- (a) The financial statements for the year ended 31 December 2005 do not reflect these dividends which will be accounted for in shareholders' funds as an appropriation of retained profits for the year ending 31 December 2006. The financial statements to 31 December 2005 include the 2004 final dividend of £140,000.

Barclaycard Funding PLC
STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE YEAR ENDED 31 DECEMBER 2005

	<i>2005</i>	<i>2004</i>
	£	£
Profit for the year	187,311	146,439
Total recognised income for the year	<u>187,311</u>	<u>146,439</u>

Barclaycard Funding PLC
BALANCE SHEET AS AT 31 DECEMBER 2005

	<i>Note</i>	2005 £	2004 (As restated) £
ASSETS			
Non-current assets			
Investments and financial assets			
loan receivables from Barclays Bank PLC	8(i)	5,600,754,357	3,326,499,117
Total non-current assets		<u>5,600,754,357</u>	<u>3,326,499,117</u>
Current assets			
Trade and other receivables	9	7,244	7,454
Investments and financial assets			
loan receivables from Barclays Bank PLC	8(ii)	1,230,157,685	—
Cash and cash equivalents		379,215	280,583
Total current assets		<u>1,230,544,144</u>	<u>288,037</u>
Total assets		<u><u>6,831,298,501</u></u>	<u><u>3,326,787,154</u></u>
LIABILITIES			
Current liabilities			
Trade and other payables	10	(143,882)	(49,000)
Current tax liabilities	11	(37,210)	(62,759)
Financial liabilities			
– Short-term borrowings	12	(1,230,157,685)	—
Total current liabilities		<u>(1,230,338,777)</u>	<u>(111,759)</u>
Net current assets		<u>205,367</u>	<u>176,278</u>
Non-current liabilities			
Financial liabilities			
– Long-term borrowings	12	(5,600,736,849)	(3,326,499,831)
Total non-current liabilities		<u>(5,600,736,849)</u>	<u>(3,326,499,831)</u>
Net assets		<u><u>222,875</u></u>	<u><u>175,564</u></u>
SHAREHOLDERS' EQUITY			
Called up share capital	13	12,502	12,502
Retained earnings	14	210,373	163,062
Total shareholders' equity		<u><u>222,875</u></u>	<u><u>175,564</u></u>

The notes on pages 10 to 26 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors and authorized for issue on 28 July 2006. They were signed on its behalf by:

J S Llewellyn-Jones
Director

Barclaycard Funding PLC
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2005

	Note	2005 £	£	2004 £	£
Net cash from operating activities					
Cash outflow from operating activities	18(i)	(139,034)		(441,451)	
Taxation paid		(105,825)		(40,688)	
		<u> </u>		<u> </u>	
Net cash from operating activities			(244,859)		(482,139)
Net cash flows from investing activities					
Purchase of investor certificate					
Interest received		(3,497,307,304)		(809,718,073)	
		203,087,499		135,834,088	
		<u> </u>		<u> </u>	
Net cash from investing activities			(3,294,219,805)		(673,883,985)
Net cash flows from financing activities					
Issuance of medium term notes		3,497,307,304		809,718,073	
Interest paid		(202,744,008)		(135,564,666)	
Dividend paid		—		(100,000)	
		<u> </u>		<u> </u>	
Net cash from financing activities			3,294,563,296		674,053,407
Increase / (decrease) in cash and cash equivalents			98,632		(312,717)
Cash and cash equivalents at beginning of the year			280,583		593,300
Cash and cash equivalents at end of the year	18(ii)		<u> </u> <u> </u>		<u> </u> <u> </u>

Barclaycard Funding PLC
NOTES TO THE FINANCIAL STATEMENTS

1. Reporting entity

These financial statements are prepared for Barclaycard Funding PLC ('the Company'), the principal activity of which is to facilitate the securitisation of certain financial assets (credit card receivables) originated by its immediate parent company, Barclays Bank plc through, amongst other things, the issue of asset backed medium term floating rate notes and transactions related thereto. The financial statements are prepared for the company only. Under the Standing Interpretation Committee's (SIC) interpretation 12 'Consolidation – Special Purpose Entities', the company is considered to be the controlling party of the Gracechurch Card Funding PLC entities (see note 17) and hence should prepare consolidated financial statements that include these entities. The company has taken the exemption in IAS 27 'Consolidated and Separate Financial Statements' to not prepare consolidated financial statements as Barclays Bank PLC, the ultimate parent undertaking of Barclaycard Funding PLC, prepares consolidated financial statements which are available for public use and that comply with International Financial Reporting Standards (IFRSs).

The Company is a member of the Barclays PLC group and is a public limited company, incorporated in the United Kingdom.

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. In all respects, this is also in accordance with IFRS, including the interpretations issued by the International Financial Reporting Interpretations Committee, except for IFRS7. These financial statements do not comply with IFRS 7 as IFRS 7 has an effective date beginning on or after 1 January 2007. Furthermore, IFRS 7 has not yet been endorsed by the European Union.

3. Accounting policies

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied, in accordance with IFRS, and as is described in more detail in the relevant accounting policies.

Basis of preparation

The financial statements have been prepared under the historical cost convention modified to include the fair valuation of certain financial instruments to the extent required or permitted under IAS 39, 'Financial Instruments, recognition, and measurement' as set out in the relevant accounting policies. They are stated in pounds sterling, the currency of the country in which the Company is incorporated.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the accounting policies. The notes to the financial statements set out areas involving a higher degree of judgment or complexity, or areas where assumptions are significant to the consolidated and individual financial statements.

First time application of IFRS

The Company has applied IFRS in its financial reporting with effect from 1 January 2004, in accordance with the transitional provisions set out in IFRS 1, "First-time Adoption of International Financial Reporting Standards". Previously, the Company followed UK accounting standards issued by the UK Accounting Standards Board and the pronouncements of its Urgent Issues Task Force, and the Companies Act 1985 (collectively "UK GAAP"). The company has used the provisions of IFRS1 in arriving at appropriate opening balances for the purposes of these financial statements, as demonstrated in Note 20.

Effect of the transition to IFRS

A description of the differences between UK GAAP and IFRS accounting policies is set out on page 21. Reconciliations of the income statement, balance sheets and cash flow statement prepared under UK GAAP and IFRS are included on pages 20 to 26.

(a) Interest

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

The effective interest rate is the rate that exactly discounts the expected future cash payments or receipts through the expected life of the financial instrument, or when appropriate, a shorter period, to the net carrying amount of the instrument. The application of the method has the effect of recognising income (and expense) receivable (or payable) on the instrument evenly in proportion to the amount outstanding over the period to maturity or repayment.

The company only recognises income and finance charges on credit card receivables to the extent that the company is beneficially entitled to apply these cash flows in meeting its obligations to third parties. Cash flows under the terms of the securitisation transaction which must be returned to Barclays Bank PLC including servicing fees are not recognised.

(b) Income taxes, including deferred income taxes

Income tax payable on taxable profits ('current tax'), is recognised as an expense in the year in which the profits arise. Deferred income tax assets are recognised to the extent that it is possible that future taxable profits will be available against which temporary differences can be utilised.

Deferred income tax is provided in full, using the liability method, on temporary timing differences arising from the differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates and legislation enacted or substantially enacted by the balance sheet date and is expected to apply when the deferred tax asset is realised or the deferred tax liability is settled.

Deferred and current tax assets and liabilities are only offset when they arise in the same tax reporting group and where there is both the legal right and the intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

(c) Financial assets and liabilities

The Company recognises financial instruments from the contract date, and continues to recognise them until, in the case of assets, the rights to receive cash flows have expired or the Company has transferred substantially all the risks and rewards of ownership, or in the case of liabilities, until the liability has been settled, extinguished or has expired. Where the Company has acquired an interest in a financial asset not accounted for by the transferor as a sales as the risks and rewards have not been transferred it is accounted for as a loan and receivable.

Loans and receivables

The loans and receivables are initially recognised at fair value including direct and incremental transaction costs and are subsequently valued at amortised cost, using the effective interest method.

Borrowings

Borrowings consists of asset backed debt obligations which are initially recognised at fair value less transaction costs and are subsequently valued at amortised cost, using the effective interest method.

(d) Impairment of financial assets

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

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

(e) Cash and cash equivalents

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

4. Interest receivable and similar income

	2005	<i>As restated</i> 2004
	£	£
Income receivable from Investor Certificates	210,194,760	139,814,490
Trustee fee	5,000	5,000
	<u>210,199,760</u>	<u>139,819,490</u>

5. Interest payable and similar charges

	2005	<i>As restated</i> 2004
	£	£
Interest payable	209,833,046	139,544,041
Trustee fee	5,000	5,000
	<u>209,838,046</u>	<u>139,549,041</u>

6. Administration expenses

The following items have been charged in arriving at the company's administration expenses:

	2005	2004
	£	£
Auditors Remuneration		
– Audit services	9,850	9,400
– Other services	23,500	23,500
	<u>33,350</u>	<u>32,900</u>

The Directors did not receive any emoluments in respect of their services to the Company during the year (2004: nil). No persons were employed by the Company during the year.

7. Taxation

	2005 £	2004 £
Current taxation		
United Kingdom corporation tax	80,276	62,759

The effective rate of current tax is 30.0% (2004: 30%). A reconciliation of the effective rate of tax is as follows:

	2005 £	2004 £
Profit before taxation	267,587	209,198
Corporation tax @ 30%	80,276	62,759

8. Investments and financial assets

(i) Non-current receivables

	2005 £	2004 (As restated) £
Loan receivables	5,600,754,357	3,326,499,117

(ii) Current receivables

Loan receivables	1,230,157,685	—
------------------	---------------	---

The company purchases investor certificates which represent amounts invested from time to time in Gracechurch Receivables Trustee Limited ('the Receivables Trustee'), to fund the purchase of interests in credit card receivables from Barclays Bank PLC. These payments to the Receivables Trustee secure equitable fractional beneficial interests in the assets of the Trust. The assets of the Trust comprise the beneficial interest in credit card receivables transferred by Barclaycard, a division of Barclays Bank plc.

Substantially all the risks and rewards of the receivables held by Gracechurch Receivables Trustee Limited are not transferred from Barclays Bank PLC who continues to recognise the receivables as assets in their balance sheet., therefore the investor certificates are considered to be loan receivables.

The Receivables Trustee will be expected to repay these amounts as detailed below.

<i>Series and date of investment</i>	<i>Redemption date</i>	2005 <i>Nominal value</i> £	2005 <i>Carrying value</i> £
2002-1, 24 October 2002	15/10/2007	643,624,896	644,977,305
2003-1, 8 April 2003	15/03/2008	637,064,407	638,424,657
2003-2, 19 June 2003	15/06/2006	599,448,507	600,709,536
2003-3, 18 September 2003	15/08/2006	628,140,704	629,448,149
2004-1, 11 March 2004	15/02/2007	404,312,668	405,153,989
2004-2, 23 November 2004	15/11/2007	405,405,405	406,233,152
2005-1, 21 June 2005	15/06/2008	824,764,942	826,451,019
2005-2, 20 September 2005	15/09/2008	815,239,545	816,919,151
2005-3, 20 October 2005	15/10/2010	1,273,702,000	1,276,463,188
2005-4, 24 October 2005	15/11/2008	583,600,817	586,131,896
		<u>6,815,303,891</u>	<u>6,830,912,042</u>

See Note 15 for quantitative financial risk disclosures.

9. Trade and other receivables

	2005 £	2004 £
Amounts receivable from parent undertaking	5,616	6,084
Other receivables	1,628	1,370
	<u>7,244</u>	<u>7,454</u>

10. Trade and other payables

	2005 £	2004 £
Accruals	3,882	—
Amount owed to subsidiary undertaking Gracechurch Funding (No.7) PLC	—	49,000
Dividend payable	140,000	—
	<u>143,882</u>	<u>49,000</u>

11. Current tax liabilities

Current tax liabilities were as follows:

	2005 £	2004 £
UK corporation tax payable	<u>37,210</u>	<u>62,759</u>

12. Financial liabilities

Borrowings

An analysis of the Company's borrowings is as follows:

	2005 £		2004 (As restated) £	
	<i>Current</i>	<i>Non-current</i>	<i>Current</i>	<i>Non-current</i>
Medium term asset backed notes	<u>1,230,157,685</u>	<u>5,600,736,849</u>	<u>—</u>	<u>3,326,499,831</u>

Details of the asset backed floating rate notes in issue are as follows:

Series 2002-1

The note with a nominal value of £643,624,896 was issued on 24 October 2002 and is repayable on 15 October 2007. Interest is payable at 3 month GBP LIBOR + 0.19345%.

Series 2003-1

The note with a nominal value of £637,064,407 was issued on 8 April 2003 and is repayable on 15 March 2008. Interest is payable at 3 month GBP LIBOR + 0.20214%.

Series 2003-2

The note with a nominal value of £599,448,507 was issued on 19 June 2003 and was repaid on 15 June 2006 (see note 15). Interest is payable at 3 month GBP LIBOR + 0.14069%.

Series 2003-3

The note with a nominal value of £628,140,704 was issued on 18 September 2003 and is repayable on 15 August 2006. Interest is payable at 3 month GBP LIBOR + 0.11290%.

Series 2004-1

The note with a nominal value of £404,312,668 was issued on 17 March 2004 and is repayable on 15 February 2007. Interest is payable at 3 month GBP LIBOR + 0.10760%.

Series 2004-2

The note with a nominal value of £405,405,405 was issued on 23 November 2004 and is repayable on 15 November 2007. Interest is payable at 3 month GBP LIBOR + 0.06470%.

Series 2005-1

The note with a nominal value of £824,764,942 was issued on 13 June 2005 and is repayable on 15 June 2008. Interest is payable at 3 month GBP LIBOR + 0.05300%.

Series 2005-2

The note with a nominal value of £815,239,545 was issued on 12 September 2005 and is repayable on 15 September 2008. Interest is payable at 3 month GBP LIBOR + 0.05510%.

Series 2005-3

The note with a nominal value of £1,273,702,000 was issued on 17 October 2005 and is repayable on 15 October 2010. Interest is payable at 3 month GBP LIBOR + 0.12280%.

Series 2005-4

The note with a nominal value of £583,600,817 was issued on 22 November 2005 and is repayable on 15 November 2008. Interest is payable at 3 month GBP LIBOR + 0.05560%.

13. Share capital

	2005 £	2004 £
Authorised:		
37,500 A ordinary shares of £1 each	37,500	37,500
12,500 B ordinary shares of £1 each	12,500	12,500
	<u>50,000</u>	<u>50,000</u>
Issued:		
2 A ordinary shares of £1 each allotted, called up and fully paid	2	2
37,498 A ordinary shares of £1 each allotted, called up and quarter paid	9,375	9,375
12,500 B ordinary shares of £1 each allotted, called up and quarter paid	3,125	3,125
	<u>12,502</u>	<u>12,502</u>

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 2 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.

14. Retained earnings

Movements in retained earnings were as follows:

	£
1 January 2004 as previously reported under UK GAAP	16,623
Net effect of implementing IFRS (page 22)	—
1 January 2004 as restated	16,623
Net profit for the year ended 31 December 2004 as restated (page 21)	146,439
31 December 2004 and 1 January 2005	163,062
Net profit for the year ended 31 December 2004	187,311
Dividends	(140,000)
31 December 2005	210,373

15. Financial risks

The Company's financial instruments, comprise borrowings, liquid resources and debtors and creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations.

It is, and has been throughout the year under review, the Company's policy that no trading in financial instruments shall be undertaken. The main risk arising from the Company's financial instruments is interest risk. The Board reviews and agrees policies for managing this risk as summarised below.

The Company's Directors are required to follow the requirements of the Barclays Group risk management policies, which includes specific guidelines on the management of interest rate and credit risks, and advises on the use of financial instruments to manage them.

Interest Rate Risk

The Company finances its operations through the issue of medium term loan notes. The loan notes incur floating rates of interest. This floating rate of interest on borrowings is largely matched by the floating rate of interest received on investor certificates. See notes 6 and 10,

Maturity of financial assets and liabilities

The maturity profile of the Company's financial assets and liabilities as at 31 December 2005 was as follows:

	1 year £'000's	1-5 years £'000's	5 years £000's	Total £000's
Assets				
Cash and cash equivalents	379	—	—	379
Investor Certificates	1,230,1587	5,600,754	—	6,830,912
Other assets	7	—	—	7
Total Assets	1,230,544	5,600,754	—	6,831,298
Liabilities				
Medium Term Notes in issue	1,230,158	5,600,737	—	6,830,895
Other liabilities	144	—	—	144
Total Liabilities	1,230,302	5,600,737	—	6,831,039

Interest rate sensitivity gap analysis

The table below summarises the repricing profile of the Company's financial assets and liabilities at 31 December 2005:

<i>Interest rate repricing</i>	<i>Effective Interest Rate</i>	<i>Not more than three months £'000's</i>	<i>Non-interest Bearing £'000's</i>	<i>Total £'000's</i>
Assets				
Investor Certificates	4.73%	6,830,912	—	6,830,912
Other assets		—	7	7
Cash and cash equivalents		—	379	379
Total Assets		6,830,912	386	6,831,298
Liabilities				
Debt securities in issue	4.71%	6,830,895	—	6,830,895
Other liabilities		—	181	181
Shareholders' funds		—	223	223
Total liabilities		6,830,895	404	6,831,299
Interest rate repricing gap		17	(17)	—
Cumulative gap		17	—	—

The table below summarises the repricing profile at 31 December 2004:

<i>Interest rate repricing</i>	<i>Effective Interest Rate</i>	<i>Not more than three months £'000's</i>	<i>Non-interest Bearing £'000's</i>	<i>Total £'000's</i>
Assets				
Investor Certificates	5.04%	3,326,499	—	3,326,499
Other assets		—	7	7
Bank balance		—	281	281
Total Assets		3,326,499	288	3,326,787
Liabilities				
Debt securities in issue	5.02%	3,326,500	—	3,326,500
Other liabilities		—	112	112
Shareholders' funds		—	175	175
Total Liabilities		3,326,500	287	3,326,787
Interest rate repricing gap		1	(1)	—
Cumulative gap		1	—	—

Fair value of financial instruments

The fair value of financial instruments is the amount for which an asset could be exchanged, or liability settled in an arms-length transaction between knowledgeable parties. The following table summarises the carrying amounts of financial assets and financial liabilities presented on the Company's balance sheet, and their fair values.

		<i>As at 31 December 2005</i>	
		<i>Carrying</i>	<i>Fair Value</i>
	<i>Note</i>	<i>Amount</i>	<i>£'000's</i>
		<i>£'000's</i>	<i>£'000's</i>
Financial assets			
Investor Certificates	(a)	6,830,912	6,954,303
Trade and other receivables	(b)	7	7
Cash and cash equivalents	(b)	379	379
		<hr/>	<hr/>
Financial liabilities			
Borrowings	(c)	6,830,895	6,954,303
Trade and other payables	(b)	4	4
Other liabilities	(b)	177	177
		<hr/> <hr/>	<hr/> <hr/>

Notes

- (a) Fair values are estimated using cash flows discounted using market rates.
(b) Fair value approximates to carrying value due to the short term nature of the financial assets and liabilities.
(c) Fair values are based on the market prices for the medium term loan notes. Financial instruments at fair value are priced with reference to a quoted market price for that instrument.

16. Contingent Liabilities

The Company is included in the Barclays Group registration for VAT purposes. As a company included in that group registration, broadly, it will be liable, on a joint and several basis with all other companies in the VAT group registration for the VAT liability of the representative member of the VAT group (Barclays Bank PLC) arising during the company's period of membership.

17. Related party transactions

The Company is a special purpose entity established by Barclays Bank plc ('Barclays'), the immediate parent company, the parent company of which is Barclays PLC, to facilitate the securitisation of certain financial assets (credit card receivables) originated by Barclays.

Barclaycard Funding PLC has issued medium term notes to Gracechurch Card Funding (No.1) PLC, Gracechurch Card Funding (No.2) PLC, Gracechurch Card Funding (No.3) PLC, Gracechurch Card Funding (No.4) PLC, Gracechurch Card Funding (No.5) PLC, Gracechurch Card Funding (No.6) PLC, Gracechurch Card Funding (No.7) PLC, Gracechurch Card Funding (No.8) PLC, Gracechurch Card Funding (No.9) PLC, Gracechurch Card Funding (No.10) PLC and Gracechurch Card Funding (No.11) PLC together known as 'The Gracechurch Entities'. The Gracechurch entities are subsidiaries of Gracechurch Card (Holdings) Limited, whose parent is SFM Corporate Services Limited. SFM Corporate Services Limited owns 100% of the B ordinary shares in Barclaycard Funding PLC which entitles it to 49% of the total voting rights and 51% of the distributions. Barclays Bank PLC owns 100% of the A ordinary shares in Barclaycard Funding PLC which entitles it to 51% of the total voting rights and 49% of the distributions.

The controlling party of the Gracechurch entities is considered to be Barclaycard Funding PLC based on the Standing Interpretation Committee's (SIC) interpretation 12 'Consolidation – Special Purpose Entities'.

As Barclaycard Funding PLC is a subsidiary of Barclays Bank PLC then transactions between Barclaycard Funding PLC and other companies of the Barclays Group are regarded as related party transactions and are summarised below:

	2005				2004			
	<i>Barclays Bank PLC</i>	<i>Gracechurch Receivables Trustee Limited</i>	<i>The Gracechurch Entites</i>	<i>SFM Corporate Services Limited</i>	<i>(As restated Barclays Bank PLC</i>	<i>(As restated Gracechurch Receivables Trustee Limited</i>	<i>(As restated The Gracechurch Entites</i>	<i>SFM Corporate Services Limited</i>
	£	£	£	£	£	£	£	£
Income statement								
Income receivable from Loan receivables	—	210,194,760	—	—	—	139,814,490	—	—
Interest paid	—	—	(209,833,047)	—	—	—	(139,544,041)	—
Administration expenses;								
Administration expenses	3,378	—	—	7,725	1,957	—	—	4,700
Balance sheet								
Loan receivables	—	6,830,912,042	—	—	—	3,326,499,177	—	—
Cash and cash equivalents	379,215	—	—	—	280,583	—	—	—
Other receivables	5,615	—	55,392	—	6,084	—	—	—
Other payables	—	—	—	—	—	—	(49,000)	—
Medium Term Notes Liability;								
Due in one year	—	—	(1,230,157,685)	—	—	—	—	—
Due after one year	—	—	5,600,736,849	—	—	—	(3,326,499,831)	—

18. Notes to the cash flow statement

18 (i) Reconciliation of profit before taxation to net cash flow from operating activities:

	2005 £	As restated 2004 £
Profit before taxation	267,587	209,198
Add back:		
Interest receivable	(210,199,760)	(139,819,490)
Interest payable	209,838,047	139,549,041
	<u>(94,126)</u>	<u>(61,251)</u>
Decrease / (Increase) in debtors	210	(6,084)
(Decrease) in creditors	(45,118)	(374,116)
	<u>(139,034)</u>	<u>(441,451)</u>
Net cash outflow from operating activities	<u>(139,034)</u>	<u>(441,451)</u>

18(ii) Cash and cash equivalents comprise:

	2005 £	2004 £
Cash at bank and in hand	379,215	280,583

19. Ultimate holding company

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

20. First time adoption of International Financial Reporting Standards (IFRS)

The Company has adopted the requirements of International Financial Reporting Standards and International Accounting Standards (together, 'IFRS') for the first time for the purpose of preparing the financial statements for the year ended 31 December 2005. This has led to a number of significant changes from the measurement bases and disclosures made in the financial statements prepared in accordance with the requirements of the UK Companies Act 1985 and UK Statements of Standard Accounting Practice and Financial Reporting Standards (collectively, 'UK GAAP').

In order for the financial statements for the year ended 31 December 2005 to comply with the requirement for comparative figures in accordance with IFRS, it was necessary to restate the balance sheet on 31 December 2003. This is the date of first time adoption for all purposes. Amounts previously presented under UK GAAP for the year ended 31 December 2004 have been represented in accordance with the International Accounting Standards and International Financial Reporting Standards applicable at that date.

A description of the differences between UK GAAP and IFRS accounting policies applicable to the company are set out below. A reconciliation of the effect of re-measuring UK GAAP results and IFRS is presented on pages 21 to 26.

Income statement, statement of recognised income and expense and balance sheet

A description of the differences between UK GAAP and IFRS accounting policies applicable to the Company are as follows:

<i>UK GAAP</i>	<i>IFRS</i>
<p>a) Effective interest Interest is recognised in the income statement as it accrues. Costs associated with the acquisition of financial assets are spread over the anticipated life of the loan or recognised as incurred, dependant on the nature of the cost.</p>	<p>The effective interest method is a method of calculating the amortised cost of a financial asset or liability and of allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts the expected future cash payments or receipts through the expected life of the financial instrument or where appropriate, a shorter period, to the net carrying amount of the instrument. The method results in all fees relating to the origination or settlement of the loan that are in the nature of interest and all direct and incremental costs associated with origination being recognised over the expected life of the loan.</p>

Cash flow statement

The IFRS and UK GAAP cash flow statements have similar objectives and are based on similar principles. However, the two statements differ with regard to the classification of items within the cash flow statement, details of which are as follows:

<i>UK GAAP</i>	<i>IFRS</i>
Operating activities.	Operating.
Returns on investments and servicing of finance.	Investing.
Taxation.	Financing.
Capital expenditure and financial investment.	
Equity dividends paid.	
Financing.	

The following tables explain the transition adjustments for the income statement, balance sheet and cash flow statement with narrative provided for only those transition adjustments which are of a material nature.

Income statement reconciliation for the year ended 31 December 2004

		<i>As restated Reported UK GAAP 31 December 2004 £</i>	<i>Effect of transition to IFRS £</i>	<i>IFRS 31 December 2004 and 1 January 2005</i>
Interest receivable and similar income	20.1	161,423,226	(21,603,736)	139,819,490
Interest payable and similar charges	20.1	(161,152,777)	21,603,736	(139,549,041)
Administration expenses		(61,251)	—	(61,251)
Profit before taxation		209,198	—	209,198
Taxation		(62,759)	—	(62,759)
Profit after taxation		146,439	—	146,439
Dividend	20.3	(140,000)	140,000	—
Retained earnings		6,439	140,000	146,439

A reconciliation of amounts presented under UK GAAP and their equivalents under IFRS at 1 January 2004 is as follows:

<i>Balance sheet</i>	<i>Reported UK GAAP 31 December 2003 £</i>	<i>Effect of transition to IFRS £</i>	<i>IFRS 1 January 2004 £</i>
Non-current assets			
Financial assets			
– Investor certificate	—	2,512,800,643	2,512,800,643
Total non-current assets	<u>—</u>	<u>2,512,800,643</u>	<u>2,512,800,643</u>
Current assets			
Amounts falling due within one year	4,523,500	(4,523,500)	—
Amounts falling due after one year	2,508,278,514	(2,508,278,514)	—
Trade and other receivables	—	1,371	1,371
Cash and cash equivalents	593,300	—	593,300
Total current assets	<u>2,513,395,314</u>	<u>(2,512,800,643)</u>	<u>594,671</u>
Total assets	<u>2,513,395,314</u>	<u>—</u>	<u>2,513,395,314</u>
Current liabilities			
Amounts falling due within one year	(5,087,675)	5,087,675	—
Amounts falling due after one year	(2,508,278,514)	2,508,278,514	—
Trade and other payables	—	(375,946)	(375,946)
Current taxation	—	(40,688)	(40,688)
Dividend payable	—	(100,000)	(100,000)
Total current liabilities	<u>(2,513,366,189)</u>	<u>2,512,849,555</u>	<u>(516,634)</u>
Net current assets	<u>29,125</u>	<u>48,912</u>	<u>78,037</u>
Non-current liabilities			
Long-term borrowings	—	(2,512,849,555)	(2,512,849,555)
Total non-current liabilities	<u>—</u>	<u>(2,512,849,555)</u>	<u>(2,512,849,555)</u>
Net assets	<u>29,125</u>	<u>—</u>	<u>29,125</u>
Shareholders' Equity			
Share capital	12,502	—	12,502
Retained earnings	16,623	—	16,623
Total shareholders' equity	<u>29,125</u>	<u>—</u>	<u>29,125</u>

A reconciliation of amounts presented under UK GAAP and their equivalents under IFRS at 31 December 2004 is as follows:

Balance sheet

	<i>Note</i>	<i>Reported UK GAAP 31 December 2004 £</i>	<i>Effect of transition to IFRS</i>	<i>IFRS 31 December 2004 and 1 January 2005 £</i>
Non-current assets				
Financial assets				
– Investor certificate	20.1	—	3,326,499,117	3,326,499,117
Total non-current assets		—	3,326,499,117	3,326,499,117
Current assets				
Amounts falling due within one year	20.2	8,509,984	(8,509,984)	—
Amounts falling due after one year	20.1	3,317,996,587	(3,317,996,587)	—
Trade and other receivables	20.2	—	7,454	7,454
Cash and cash equivalents		280,583	—	280,583
Total current assets		3,326,787,154	(3,326,499,117)	288,037
Total assets		3,326,787,154	—	3,326,787,154
Current liabilities				
Amounts falling due within one year	20.3	(8,755,003)	8,755,003	—
Amounts falling due after one year	20.4	(3,317,996,587)	3,317,996,587	—
Trade and other payables	20.3	—	(49,000)	(49,000)
Current taxation	20.3	—	(62,759)	(62,759)
Total current liabilities		(3,326,751,590)	3,326,639,831	(111,759)
Net current assets/(liabilities)		35,564	140,714	176,278
Non-current liabilities				
Long-term borrowings	20.4	—	(3,326,499,831)	(3,326,499,831)
Total non-current liabilities		—	(3,326,499,831)	(3,326,499,831)
Net assets		35,564	140,000	175,564
Shareholders' Equity				
Share capital		12,502	—	12,502
Retained earnings	20.3	23,062	140,000	163,062
Total shareholders' equity		35,564	140,000	175,564

	<i>ReportedUK GAAP 31 December 2004 £</i>	<i>Effect of transition to IFRS £</i>	<i>IFRS 31 December 2004 and 1 January 2005 £</i>
Cash flow statement reconciliation			
Returns on investments and servicing of finance			
Interest received	135,834,088	(135,834,088)	—
Interest paid	(135,564,666)	135,564,666	—
Taxation	(40,688)	40,688	—
Capital expenditure and financial investment			
Investor certificates	(809,718,073)	809,718,073	—
Equity dividend paid	(100,000)	100,000	—
Financing			
Medium term notes	809,718,073	(809,718,073)	—
Cash flows from operating activities			
Net cash outflow from operating activities	(441,451)	—	(441,451)
Taxation	—	(40,688)	(40,688)
Cash flows from investing activities			
Purchase of medium term notes	—	809,718,073	809,718,073
Interest received	—	135,834,088	135,834,088
Cash flows from financing activities			
Issue of medium term notes	—	(809,718,073)	(809,718,073)
Interest paid	—	(135,564,666)	(135,564,666)
Dividend paid	—	(100,000)	(100,000)
Decrease in cash and cash equivalents	(312,717)	—	(312,717)
Cash and cash equivalents at beginning of the year	593,300	—	593,300
Cash and cash equivalents at end of the year	280,583	—	280,583

Notes	£	<i>Description</i>
20.1		Under UK GAAP, the Investor certificates were classified as amounts falling due after one year and were held at cost.
	3,317,996,587	Investor certificate
	8,509,984	Accrued interest receivable
	(7,454)	Trade and other receivables
	<u>3,326,499,117</u>	
		Under IFRS, IAS 39 is adopted and the investor certificates have been categorised as a loan and receivables asset due to substantially all the risks and rewards of the receivables held by the Gracechurch Receivables Trustee Limited not being transferred from the transferor Barclays Bank PLC and who continue to recognise the receivables as assets in their balance sheet. The loan receivable is initially recognised at fair value and subsequently re-measured at amortised cost, using the effective interest rate method, less any impairment. There were no impairment losses.
		Under UK GAAP the servicer and cash management fees payable by the Company to Barclays Bank PLC and paid on its behalf by Gracechurch Receivables Trustee Limited were included within interest receivable and similar income and interest payable and similar charges.
	21,574,256	Servicer fee
	29,480	Cash management fee
	<u>21,603,736</u>	
20.2		Under IFRS as noted in the accounting policy note cash flows under the terms of the securitisation transaction which must be returned to Barclays Bank PLC including servicing and cash management fees are not recognised
	8,502,530	Under UK GAAP amounts falling due within one year were as follows: Accrued interest receivable
	6,084	Other debtors
	1,370	Prepayments and accrued income
	<u>8,509,984</u>	
20.3		Under IFRS, all cash flows related to the Investor Certificates are considered in measuring the amortised cost. The accrued interest receivable is therefore reversed and considered in arriving at the amortised cost amount of the Investor Certificates.
	8,503,244	Under UK GAAP amounts falling due within one year were as follows: Accrued interest payable
	49,000	Payable to related party
	140,000	Dividend payable
	62,759	Taxation payable
	<u>8,755,003</u>	
		Under IFRS, all cash flows related to the Medium Term Notes are considered in measuring the amortised cost. The accrued interest payable is therefore reversed and considered in arriving at the amortised cost amount of the Medium Term Notes.
		Under IAS 37 an interim dividend declared but unpaid or a final dividend proposed but not yet approved at the balance sheet date should not be recognised as it does not meet the definition of a present obligation, hence the final dividend in 2004 declared but not

<i>Notes</i>	£	<i>Description</i>
		approved until 9 June 2005 included in the UK GAAP financial statements for the year ended 31 December 2004 has been included for IFRS purposes as a dividend paid in the year ended 31 December 2005 IFRS financial statements.
20.4		Under UK GAAP amounts falling due after one year were as follows:
	<u>3,317,996,587</u>	Debt securities in issue
		The debt securities in issue are denominated in Sterling. Under IAS 39, the debt securities are categorised as a financial liability. At initial acquisition they are recognised at fair value less transaction costs and are subsequently measured at amortised cost.

21. Post balance sheet events

On 15 June 2006 the series 2003-2 investor certificate was redeemed and subsequently the series 2003-2 medium term loan notes were repaid to Gracechurch Card Funding (No. 4) PLC.

On 25 July 2006 the directors declared a final dividend for the year ended 31 December 2005 of £140,000.

Gracechurch Card Notes 2006-A PLC

Issuer

Barclays Bank PLC

Transferor, Servicer and Trust Cash Manager

€60,000,000 Class A1 Floating Rate Asset-Backed Notes

£71,500,000 Class A2 Floating Rate Asset-Backed Notes

Prospectus

Underwriters of the Class A Notes

Barclays Capital

You should rely only on the information contained in this prospectus. We have not authorised anyone to provide you with different information.

We are not offering the notes where the offer is not permitted.

Dealers will deliver a prospectus when acting as underwriters of the notes and with respect to their unsold allotments or subscriptions. In addition, all dealers selling the notes may be required to deliver a prospectus until 21 December 2006.