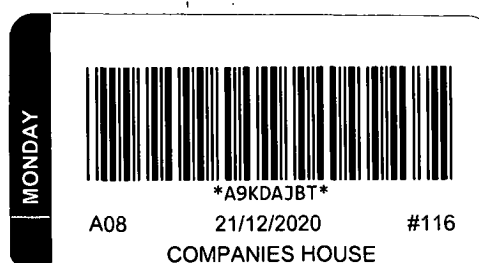


**Registered number in England and Wales: 05230120**

**NORTHWHARF INVESTMENTS LIMITED**

**ANNUAL REPORT & FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2019**



## **NORTHWHARF INVESTMENTS LIMITED**

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## **NORTHWHARF INVESTMENTS LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019**

The Directors present their annual report together with the audited financial statements of Northwharf Investments Limited (the 'Company') for the year ended 31 December 2019.

#### **Profits and dividends**

During the year the Company made a profit after tax of £17,707 thousand (2018: profit after tax of £48,949 thousand). The Directors do not recommend the payment of a final dividend (2018: £nil). No interim dividend was paid during the year (2018: £nil).

#### **Post balance sheet events**

The Directors have reviewed the Company's business and performance and considers it to be satisfactory for the year. The Directors consider that the Partnership's position at the end of the year is consistent with the size and complexity of the business.

Since year end, there has been a material down turn in a number of commodity markets which has a direct impact on the valuation of investments held. There continues to be substantial uncertainty in these markets and the Directors will continue to review the impact this has on the underlying portfolio companies.

Subsequent to 31 December 2019, there has been a global outbreak of a coronavirus disease 2019 ("COVID-19"), which the World Health Organization has declared a "Public Health Emergency of International Concern." The effects of a public health emergency may materially and adversely impact the value and performance of the Company and its ability to achieve its investment objectives.

Management considers that the operations of the Company have not been significantly impacted as a result of factors related to a public health emergency.

The Directors consider the outbreak and spread of COVID-19 to be a non-adjusting post balance sheet event. Given the inherent uncertainties, it is not practicable at this time to determine the impact of COVID-19 or to provide a quantitative estimate of this impact.

Subsequent to the year end, one of the companies the Company invests in was notified of a potential liability. Management assess that there is a range of possible outcomes, including a zero impact or one which would result in a material fall in the fair value of the investment, but that the quantum and likelihood of each potential outcome cannot be estimated at this time. The Company owns less than 100% of the investment and as such would only bear a proportion of any fall in the fair value of this asset.

#### **Directors**

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

Francis Harwood Banks appointed (05 November 2019)

Gavin John Chapman

James Campbell Ferrier

Jiten Mistry

Steven Alan Tait resigned (04 November 2019)

#### **Going concern**

After reviewing the Company's performance projections (including the implications from the COVID-19 outbreak), the available banking facilities, the Directors are satisfied that the Company has adequate access to resources to enable it to meet its obligations and to continue in operational existence for the foreseeable future. For this reason, the Directors have adopted the going concern basis in preparing these financial statements.

## **NORTHWHARF INVESTMENTS LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019**

#### **Statement of Directors' responsibilities in respect of the Strategic report, the Directors' report and the financial statements**

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.

#### **Financial risk management**

The Company's activities are exposed to a variety of financial risks. The Company is required to follow the requirements of the Group risk management policies, which include specific guidelines on the management of foreign exchange, interest rate and credit risks, and advice on the use of financial instruments to manage them. The main financial risks that the Company is exposed to are outlined in Note 17.

#### **Directors third party indemnity provisions**

Qualifying third party indemnity provisions were in force (as defined by section 234 of the Companies Act 2006) during the course of the financial year ended 31 December 2019 for the benefit of the then Directors and, at the date of this report, in relation to certain losses and liabilities, including qualifying third party indemnity provisions and qualifying indemnity provisions which may occur (or have occurred) in connection with their duties, powers or office.

#### **Independent auditors**

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

#### **Statement of disclosure of information to auditors**

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

**NORTHWHARF INVESTMENTS LIMITED**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2019**

This report was approved by the board and signed on its behalf.

DocuSigned by:

*James Ferrier*

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**James Ferrier**

Director

16 December 2020

Registered number: 05230120

1 Churchill Place, London, E14 5HP

## **NORTHWHARF INVESTMENTS LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019**

#### **Business review and principal activities**

The principal activity of Northwharf Investments Limited is to act as an investment company. No significant change in this activity is envisaged in the foreseeable future and the Company's performance is in line with Directors' expectations.

#### **Business performance**

The results of the Company show a profit after tax of £17,707 thousand (2018: profit of £48,949 thousand) for the year. The Company has net assets of £263,555 thousand (2018: £245,848 thousand).

#### **Future outlook**

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

#### **Principal risks & uncertainties**

The management of the business and the execution of the Company's strategy are subject to a number of risks. The key business risks affecting the Company are set out in the note 17 'Financial Risks'. Risks are formally reviewed by the Board and appropriate processes put in place to monitor and mitigate them.

Whilst the direct and indirect impact of the Coronavirus (COVID-19) outbreak remains uncertain, a number of central banks and governments have announced financial stimulus packages in anticipation of a very significant negative impact on GDP during 2020. Concerns remain as to whether these policy tools will counter anticipated macro-economic risk and prolongation of the outbreak could significantly adversely affect economic growth, affect specific industries or countries. In addition, an escalation in geopolitical tensions or increased use of protectionist measures may also negatively impact the Company's business. See the 'Financial Risks' note for further information.

#### **Key performance indicators**

The Directors of Barclays PLC manage the group's operations on a business cluster basis. For this reason, the Company's Directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The development, performance and position of the relevant business cluster, which includes the Company, is discussed in the Barclays PLC 2019 Annual Report, which does not form part of this report but is available at <https://home.barclays/investor-relations/reports-and-events/annual-reports/>.

#### **Section 172(1) statement**

The Directors have acted in a way that they considered, in good faith, to be most likely to promote the success of Northwharf Investments Limited for the benefit of its sole member, and in doing so had regard, amongst other matters, to:

- the likely consequences of any decision in the long term;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company's maintaining a reputation for high standards of business conduct; and
- to act fairly between members of the Company.

The Directors also took into account the views and interests of a wider set of stakeholders, the Government, and non-government organisations. Considering this broad range of interests is an important part of the way the Board makes decisions; however, in balancing those different perspectives it won't always be possible to deliver everyone's desired outcome.

## **NORTHWHARF INVESTMENTS LIMITED**

### **STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019**

#### **How does the board engage with stakeholders?**

The Board will sometimes engage directly with certain stakeholders on certain issues, but the size and distribution of our stakeholders and of Barclays means that stakeholder engagement often takes place at an operational level.

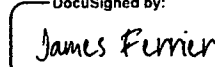
In addition, to ensure a more efficient and effective approach, certain stakeholder engagement is led at Barclays group level, in particular where matters are of group-wide significance or have the potential to impact the reputation of the Barclays group.

The Board considers and discusses information from across the organisation to help it understand the impact of Barclays' operations, and the interests and views of our key stakeholders. It also reviews strategy, financial and operational performance, as well as information covering areas such as key risks, and legal and regulatory compliance. This information is provided to the board through reports sent in advance of each board meeting, and through in-person presentations.

As a result of these activities, the board has an overview of engagement with stakeholders, and other relevant factors, which enables the Directors to comply with their legal duty under section 172 of the Companies Act 2006.

The purpose of the Company is to act as an investment company. Due to the nature of the Company, no decisions were made by the Directors during the reporting period which required them to have regard to the matters set out in section 172 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

DocuSigned by:  
  
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**James Ferrier**

Director

16 December 2020

Registered number: 05230120

1 Churchill Place, London, E14 5HP

## **NORTHWHARF INVESTMENTS LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NORTHWHARF INVESTMENTS LIMITED**

#### **Opinion**

We have audited the financial statements of Northwharf Investments Limited ("the company") for the year ended 31 December 2019 which comprise the Statement of Profit or Loss and Other Comprehensive income, Statement of Financial Position, Statement of Changes in Equity, Cash flow statement, and related notes, including the accounting policies in note 4.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

#### **Going Concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.



## **NORTHWHARF INVESTMENTS LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NORTHWHARF INVESTMENTS LIMITED**

#### **Strategic report and Directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge.

Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

#### **Matters on which we are required to report by exception**

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

#### **Directors' responsibilities**

As explained more fully in their statement set out on page 2, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

**NORTHWHARF INVESTMENTS LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NORTHWHARF INVESTMENTS LIMITED**

**The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Jones (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
15 Canada Square  
London  
E14 5GL

16 December 2020

**NORTHWHARF INVESTMENTS LIMITED****STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £000	2018 £000
<b>Revenue</b>			
Interest income	5	1,397	1,017
Interest expense	5	(10,544)	(8,665)
<b>Net interest expense</b>		<b>(9,147)</b>	<b>(7,648)</b>
Other expense	6	(2,277)	(335)
Fair value gain on assets designated at fair value through profit and loss	12,15	17,305	72,558
Foreign exchange gain / (loss)		11,389	(17,311)
<b>Profit before tax</b>		<b>17,270</b>	<b>47,264</b>
Tax credit	10	437	1,685
<b>Profit for the year</b>		<b>17,707</b>	<b>48,949</b>

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

Profit for the year is derived from continuing activities. All recognised income and expenses have been reported in the income statement, hence no statement of total comprehensive income has been included in the financial statements.

**NORTHWHARF INVESTMENTS LIMITED**  
**REGISTERED NUMBER: 05230120**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2019**

	Note	2019 £000	2018 £000
<b>Assets</b>			
<b>Non-current assets</b>			
Investments in subsidiary companies	11	40	40
Financial assets at fair value through profit and loss	12	473,543	464,532
<b>Total non-current assets</b>		<b>473,583</b>	<b>464,572</b>
<b>Current assets</b>			
Loans and advances at amortised cost	13	181,352	185,562
Current tax assets	10	1,879	1,685
Cash and cash equivalents		5,033	1,308
<b>Total current assets</b>		<b>188,264</b>	<b>188,555</b>
<b>Total assets</b>		<b>661,847</b>	<b>653,127</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Short-term borrowings	14	396,810	392,979
Provisions	15	1,482	14,300
		<b>398,292</b>	<b>407,279</b>
<b>Total liabilities</b>		<b>398,292</b>	<b>407,279</b>
<b>Net assets</b>		<b>263,555</b>	<b>245,848</b>
<b>Issued capital and reserves</b>			
Share capital	16	5	5
Share premium reserve		18,502	18,502
Retained earnings		245,048	227,341
<b>TOTAL EQUITY</b>		<b>263,555</b>	<b>245,848</b>

The accompanying notes form an integral part of these financial statements. The financial statements were approved and authorised for issue by the board of Directors and were signed on its behalf by:

DocuSigned by:

*James Ferrier*

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**James Ferrier**

Director

16 December 2020

**NORTHWHARF INVESTMENTS LIMITED****STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	<b>Share capital</b> <b>£000</b>	<b>Share premium</b> <b>£000</b>	<b>Retained earnings</b> <b>£000</b>	<b>Total equity</b> <b>£000</b>
<b>At 1 January 2019</b>	<b>5</b>	<b>18,502</b>	<b>227,341</b>	<b>245,848</b>
Profit for the year	-	-	17,707	17,707
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>17,707</b>	<b>17,707</b>
<b>At 31 December 2019</b>	<b>5</b>	<b>18,502</b>	<b>245,048</b>	<b>263,555</b>

	<b>Share capital</b> <b>£000</b>	<b>Share premium</b> <b>£000</b>	<b>Retained earnings</b> <b>£000</b>	<b>Total equity</b> <b>£000</b>
<b>At 1 January 2018</b>	<b>5</b>	<b>18,502</b>	<b>178,392</b>	<b>196,899</b>
Profit for the year	-	-	48,949	48,949
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>48,949</b>	<b>48,949</b>
<b>At 31 December 2018</b>	<b>5</b>	<b>18,502</b>	<b>227,341</b>	<b>245,848</b>

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

**NORTHWHARF INVESTMENTS LIMITED****CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 £000	2018 £000
<b>Cash flows from operating activities</b>		
Profit for the year	17,707	48,949
<b>Adjustments for</b>		
Fair value (gain)/loss on assets designated at fair value through the profit and loss	(19,632)	(86,868)
Net foreign exchange (gain)/loss	(11,389)	17,311
Tax expense / (credit)	(437)	(1,685)
	<u>(13,751)</u>	<u>(22,293)</u>
<b>Movements in working capital:</b>		
Net decrease / (increase) in loans and advances	5,573	(2,590)
Net increase in short term borrowings	(50)	9,455
Provisions	(12,818)	14,300
	<u>(21,046)</u>	<u>(1,128)</u>
<b>Cash generated from operations</b>		
Tax (paid) / received	242	4,204
	<u>(20,804)</u>	<u>3,076</u>
<b>Net cash (used in)/from operating activities</b>		
Purchases of assets reported at fair value through the profit and loss	(5,824)	(16,486)
Return on assets reported at fair value through the profit and loss	16,445	56,450
	<u>10,621</u>	<u>39,964</u>
<b>Net cash from investing activities</b>		
<b>Cash flows from financing activities</b>		
Net increase in amounts on deposit	(3,187)	(15,867)
Net increase / (decrease) in borrowed funds	14,953	(26,604)
	<u>11,766</u>	<u>(42,471)</u>
<b>Net cash from/(used in) financing activities</b>		
<b>Net cash increase in cash and cash equivalents</b>	1,583	569
Cash and cash equivalents at the beginning of year	1,308	683
Exchange gains on cash and cash equivalents	2,142	56
	<u>5,033</u>	<u>1,308</u>
<b>Cash and cash equivalents at the end of the year</b>		

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

## **NORTHWHARF INVESTMENTS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

#### **1. Reporting entity**

These financial statements are prepared for Northwharf Investments Limited (the 'Company'), the principal activity of which is to act as an investment company.

The financial statements are separate financial statements prepared for the Company only, in line with the UK Companies Act 2006. The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its Group. The parent undertaking of the smallest group that presents consolidated financial statements is Barclays Bank PLC and the ultimate holding company and the parent undertaking of the largest group that presents group financial statements is Barclays PLC, both of which prepare consolidated financial statements in accordance with International Financial Reporting Standards ('IFRS') and interpretations issued by the IFRS Interpretations Committee ('IFRS IC'), as published by the International Accounting Standards Board ('IASB') and accordingly consolidated financial statements have not been prepared based on the exemption provided under paragraph 4(a) of IFRS 10.

The Company is a private limited company domiciled and incorporated in England And Wales. The Company's registered office is at 1 Churchill Place, London, E14 5HP.

#### **2. Basis of preparation**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the Interpretations Committee (IFRICs), as published by the International Accounting Standards Board (IASB). They are also in accordance with IFRS and IFRIC interpretations endorsed by the European Union. The principal accounting policies applied in the preparation of the individual financial statements are set out below, and in the relevant notes to the financial statements. These policies have been consistently applied.

The financial statements have been prepared on a going concern basis under the historical cost convention modified to include the fair valuation of certain financial instruments to the extent required or permitted under IFRS 9, 'Financial Instruments' for hedges and IFRS 9 'Financial Instruments' as set out in the relevant accounting policies. They are presented in thousands of Pound Sterling (GBP), the currency of the country in which the Company is incorporated.

After reviewing the Company's performance projections, (including the implications from the COVID-19 outbreak, which considered severe but plausible downside scenarios for the Company) and the available banking facilities, the Directors are satisfied that the Company has adequate access to resources to enable it to meet its obligations and to continue in operational existence for the foreseeable future. For this reason, the Directors have adopted the going concern basis in preparing these financial statements.

#### **3. New and amended standards**

##### **i) New standards, interpretations and amendments effective from 1 January 2019**

In January 2016, the IASB issued IFRS 16 Leases, which was subsequently endorsed by the EU in November 2017, and replaces IAS 17 Leases for period beginning on or after 1 January 2019. IFRS 16 has no impact on the Company's accounting policies.

##### **ii) New standards, interpretations and amendments not yet effective**

There are no new amended standards that are expected to have a material impact on the Company's accounting policies.

## **NORTHWHARF INVESTMENTS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

#### **4. Summary of significant accounting policies**

##### **4.1 Foreign currency translation**

Items included in the financial statements of the Company are measured using their functional currency, being Pounds Sterling (GBP) the currency of the primary economic environment in which the entity operates.

Foreign currency transactions are translated into sterling using the exchange rates prevailing at the dates of the transactions. Monetary items denominated in foreign currencies are retranslated at the rate prevailing at the period end. Foreign exchange gains and losses resulting from the retranslation and settlement of these items are recognised in the income statement except for qualifying cash flow hedges or hedges of net investments.

Non-monetary assets that are measured at fair value are translated using the exchange rate at the date that the fair value was determined. Exchange differences on equities and similar non-monetary items held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on equities classified as financial assets at fair value through other comprehensive income and non-monetary items are included directly in equity.

##### **4.2 Revenue recognition**

The Company applies IFRS 15, 'Revenue Recognition' and the adoption of this policy has no material impact on the financial statements. The standard establishes a five-step model governing revenue recognition. The five-step model requires the Company to (i) identify the contract with the customer, (ii) identify each of the performance obligations included in the contract, (iii) determine the amount of consideration in the contract, (iv) allocate the consideration to each of the identified performance obligations and (v) recognise revenue as each performance obligation is satisfied.

The Company recognises fee and commission income charged for services provided as the services are provided, for example on completion of the underlying transaction.

##### **4.3 Interest**

Interest income or expense is recognised on all interest bearing financial assets classified as loans and receivables and on interest bearing financial liabilities using the effective interest method.

The effective interest rate is the rate that exactly discounts the expected future cash payments or receipts through the expected life of the financial instrument, or when appropriate, a shorter period, to the net carrying amount of the instrument. The application of the method has the effect of recognising income (and expense) receivable (or payable) on the instrument evenly in proportion to the amount outstanding over the period to maturity or repayment.

The Company does not accrue interest under the effective interest rate method on its company loan liabilities, as required under IFRS9, due to the uncertainty in forecasting the future cash flows on these loans.

##### **4.4 Fee and commission**

The Company recognises fee and commission income charged for services provided as the services are provided, for example on completion of the underlying transaction.

##### **4.5 Current tax**

Income tax payable on taxable profits ('current tax'), is recognised as an expense in the period in which the profits arise. Income tax recoverable on tax allowable losses is recognised as an asset only to the extent that it is regarded as recoverable by offset against current year or prior year taxable profits.

Current tax assets and liabilities are only offset where there is both the legal right and the intention to settle on a net basis or to realise the asset and settle the liability simultaneously with the same tax authority.



## **NORTHWHARF INVESTMENTS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

#### **4. Summary of significant accounting policies (continued)**

##### **4.6 Financial assets and liabilities**

The Company applies IFRS 9 'Financial Instruments' to the recognition, classification and measurement, and derecognition of financial assets and financial liabilities and the impairment of financial assets.

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

##### **Financial assets measured at amortised cost**

The Company's financial assets are loans and advances, which are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and which are not classified as available for sale. These assets are measured at amortised cost, which is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss, as is any gain or loss on derecognition (when the rights to receive cash flows have expired or the Company has transferred substantially all the risks and rewards of ownership).

##### **Financial liabilities**

Financial liabilities are measured at amortised cost and are derecognised when extinguished. The Company's financial liabilities comprise borrowings and capital contributions in the balance sheet.

##### **Impairment of financial assets**

The company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the company in accordance with the contract and the cash flows that the company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

The company measures loss allowances at an amount equal to lifetime ECL (where all possible default events over the expected life of a financial instrument is considered), except for bank balances where credit risk has not increased significantly since initial recognition which are measured as 12-month ECL (i.e. the portion of ECLs that result from default events that are possible within the 12 months or less after the reporting date). Credit risk is discussed further in Note 17.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and informed credit assessment and including forward-looking information.

##### **Netting**

Financial assets and liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise an asset and settle the liability simultaneously.

## **NORTHWHARF INVESTMENTS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

#### **4. Summary of significant accounting policies (continued)**

##### **4.7 Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

##### **4.8 Investments in subsidiaries**

Investments in subsidiaries are reported at cost less impairment, if any. Impairment is calculated as the difference between its carrying amount and the value of net assets of the subsidiary.

##### **4.9 Share capital**

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

##### **4.10 Dividends on ordinary shares**

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

##### **4.11 Cash and cash equivalents**

Cash comprises cash on hand, demand deposits, and cash equivalents. Cash equivalents comprise highly liquid investments that are convertible into cash with an insignificant risk of changes in value with original maturities of less than three months. Trading balances are not considered to be part of cash equivalents.

##### **4.12 Critical accounting estimates**

The preparation of financial statements in accordance with IFRS requires the use of estimates. It also requires management to exercise judgement in applying the accounting policies. The key areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the financial statements are highlighted under the relevant note. Critical accounting estimates and judgements are disclosed in relation to the potential impairment of financial assets measured at amortised cost (see note 17 for further information).

**NORTHWHARF INVESTMENTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019****5. Interest income and expense****Recognised in profit or loss**

	<b>2019</b> <b>£000</b>	<b>2018</b> <b>£000</b>
<b>Interest income</b>		
- Bank deposits	45	29
<b>Total interest income</b>	<u>45</u>	<u>29</u>
Interest receivable from group companies	1,352	988
<b>Total interest income</b>	<u>1,397</u>	<u>1,017</u>
<b>Interest expense</b>		
Interest payable to related undertakings	10,544	8,665
<b>Total finance expense</b>	<u>10,544</u>	<u>8,665</u>
<b>Net finance expense recognised in profit or loss</b>	<u><u>(9,147)</u></u>	<u><u>(7,648)</u></u>

**6. Other (expense)/income**

	<b>2019</b> <b>£000</b>	<b>2018</b> <b>£000</b>
Other income/ (expense)	(2,277)	(335)
<b>Total</b>	<u><u>(2,277)</u></u>	<u><u>(335)</u></u>

**7. Profit and total comprehensive income**

The audit fee is borne by the Company's parent company, Barclays Bank PLC and is not recharged to the Company. Although the audit fee is borne by the Company's parent company, the fee that would have been charged to the Company amounts to £40,000 (2018: £16,000) for the year. This fee is not recognised as an expense in the financial statements.

**8. Staff costs**

There were no employees employed by the Company during 2019 or 2018.

**9. Directors' emoluments**

The Directors did not receive any emoluments in respect of their services to the Company during the year (2018: nil).

During the year, one Director (2018: 0) exercised options under the Barclays PLC Sharesave Scheme and Long Term Incentive schemes.

**NORTHWHARF INVESTMENTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019****10. Tax expense****10.1 Income tax recognised in profit or loss**

	<b>2019 £000</b>	<b>2018 £000</b>
<b>Current tax credit</b>		
Current tax on profits for the year	10	(1,561)
Adjustments in respect of prior years	(447)	(124)
<b>Total tax credit</b>	<b>(437)</b>	<b>(1,685)</b>
<b>Tax credit</b>	<b>(437)</b>	<b>(1,685)</b>
<b>Total tax credit</b>	<b>(437)</b>	<b>(1,685)</b>

**NORTHWHARF INVESTMENTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019****10. Tax expense (continued)****10.1 Income tax recognised in profit or loss (continued)**

From 1 April 2017, the main rate of UK corporation tax is 19%. Legislation has been introduced to reduce the main rate of UK corporation tax to 17% from 1 April 2020.

In the March 2020 budget announcement, the Chancellor confirmed that the rate of corporation tax will remain at 19% from 1 April 2020. This measure has been made under a Budget resolution which has statutory effect under the provisions of the Provisional Collection of Taxes Act 1968. Since this change (cancelling the enacted reduction to 17%) was not enacted or substantively enacted on the balance sheet date, this has not been used to calculate current tax for tax disclosures for year ended 31 December 2019.

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to profits for the year are as follows:

	2019 £000	2018 £000
Profit for the year	17,707	48,949
Tax credit	(437)	(1,685)
<b>Profit before taxes</b>	<b>17,270</b>	<b>47,264</b>
Tax using the Company's domestic tax rate of 19% (2018:19%)	3,281	8,980
Other expense	-	63
Adjustments in respect of prior years	(447)	(124)
Fair value losses / (gains) on assets reported at fair value	(3,288)	(13,786)
Non-deductible / taxable foreign exchange loss	(1,972)	3,182
Partnership allocation	114	-
Non-deductible expense	450	-
Income not taxable	(18)	-
Foreign tax arising on disposal of Imalivest	1,443	-
<b>Total tax credit</b>	<b>(437)</b>	<b>(1,685)</b>

**10.2 Current tax assets and liabilities****Current tax assets**

Corporation tax asset	1,879	1,685
	<b>1,879</b>	<b>1,685</b>

**NORTHWHARF INVESTMENTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019****11. Investment in subsidiaries**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
As at 1st Jan	<b>40</b>	<b>40</b>
As at 31st Dec	<b>40</b>	<b>40</b>

The Directors believe that the carrying value of the investment is supported by its underlying net assets. Details of company's investment in subsidiaries are given below:

<b>Name of subsidiary</b>	<b>Registered office address</b>	<b>Class of shares/units</b>	<b>Name of immediate parent</b>	<b>Total proportion of nominal value held by immediate parent (%)</b>
CPIA Investments No. 1 Limited	PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands	Ordinary A shares Ordinary B shares Ordinary C shares Ordinary D shares Ordinary E shares Ordinary F shares Ordinary H shares Ordinary H 2012 shares Preference I shares Ordinary J shares	Northwharf Investments Limited	100.0 100.0 100.0 100.0 100.0 100.0 100.0 100.0 42.5 100.0
CPIA Investments No. 2 Limited	PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands	Ordinary shares	Northwharf Investments Limited	100.0
Barclays Korea GP Limited	A-1705 Yeouido Park Centre, 28-3 Yeouido-dong, Yeongdeungpo-gu, Seoul, Korea, Republic of	Ordinary shares	Northwharf Investments Limited	100.0
BNRI Limehouse No.1 S.à r.l.	9, allée Scheffer L-2520 Luxembourg	Parts sociales de Catégorie E Parts sociales de Catégorie F Parts sociales de Catégorie G Parts sociales de Catégorie H Parts sociales de Catégorie I Parts sociales de Catégorie J	Northwharf Investments Limited	5.64 5.64 5.64 6.21 5.64 4.32
CPIA Canada Holdings, LP	5 The North Colonnade, Canary Wharf, London E14 4BB, England	Indirectly held	CPIA Investments No. 2 Limited	99.95

**NORTHWHARF INVESTMENTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019****12. Financial assets designated at fair value through  
profit and loss**

	<b>2019</b> <b>£000</b>	<b>2018</b> <b>£000</b>
<b>Balance as at 1 January</b>	<b>464,532</b>	<b>417,628</b>
Additions	<b>5,824</b>	<b>16,486</b>
Disposals	<b>(16,445)</b>	<b>(56,450)</b>
Fair value gain	<b>27,774</b>	<b>75,882</b>
Foreign exchange (loss) / gain	<b>(8,142)</b>	<b>10,986</b>
<b>Balance as at 31 December</b>	<b>473,543</b>	<b>464,532</b>

**13. Loans and advances at amortised cost**

The Directors consider that the carrying value of the Company's loans and advances approximates to their fair value.

	<b>2019</b> <b>£000</b>	<b>2018</b> <b>£000</b>
<b>Current</b>		
Amounts due from Group undertakings	<b>181,288</b>	<b>185,321</b>
Other debtors	<b>63</b>	<b>241</b>
<b>Balance at 31 December</b>	<b>181,351</b>	<b>185,562</b>

**NORTHWHARF INVESTMENTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019****14. Debt and borrowings**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
<b>Current</b>		
Amount payable to group undertakings	<b>395,835</b>	392,778
Other creditors	<b>975</b>	201
<b>At 31 December</b>	<b>396,810</b>	392,979

The Directors consider that the carrying value of the Company's debt and borrowings approximates their fair value. Amounts due to Group undertakings are repayable on demand.

**15. Provisions**

Provision predominantly relates to legal fees payable on sale of an underlying investment to a third party along with expected liquidation costs for the underlying HoldCo. The provision has been determined based on agreed legal fees and budgeted cashflows.

	<b>Provision £000</b>
At 1 January 2019	14,300
Charged to profit or loss	2,327
Utilised during the year	(15,145)
<b>At 31 December 2019</b>	<b>1,482</b>
Due within one year or less	1,482
	<b>1,482</b>

Amounts charged to the profit or loss are reflected in Fair value gain on assets designated at fair value through profit and loss.



**NORTHWHARF INVESTMENTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019****16. Share capital****Authorised**

	<b>2019 Number</b>	<b>2019 £000</b>	<b>2018 Number</b>	<b>2018 £000</b>
<b>Shares treated as equity</b>				
Ordinary Shares shares of £1.00 each	1,000	1	1,000	1
Private equity fund carry shares ("PEF" shares) shares of £0.01 each	10,000,000	100	10,000,000	100
	<u>10,001,000</u>	<u>101</u>	<u>10,001,000</u>	<u>101</u>

**Issued and fully paid**

	<b>2019 Number</b>	<b>2019 £000</b>	<b>2018 Number</b>	<b>2018 £000</b>
<b>Ordinary Shares shares of £1.00 each</b>				
At 1 January and 31 December	<u>650</u>	<u>1</u>	<u>650</u>	<u>1</u>

The holders of the ordinary shares shall have the right to receive notice of, attend or speak or vote at a general meeting of the Company.

£649,350 is included within the share premium reserve, made up of 650 ordinary shares at £999 each.

	<b>2019 Number</b>	<b>2019 £000</b>	<b>2018 Number</b>	<b>2018 £000</b>
<b>Private equity fund carry shares ("PEF" shares) shares of £0.01 each</b>				
At 1 January and 31 December	<u>417,871</u>	<u>4</u>	<u>417,871</u>	<u>4</u>

The holders of the PEF shares shall not have the right to receive notice of, attend or speak or vote at a general meeting of the Company.

A PEF share confers on its holder the right to receive the revenue profits, income or gains of the Company which are attributable to or comprised in the sums, securities or other assets that are received by the Company in respect of the Company's indirect interest through its subsidiary Barclays Korea GP Limited, in the Global Dynasty Private Equity Natural Resources fund. The holders of the PEF shares shall have no further right to share in the distributable profits of the Company.

On a return of capital on redemption, winding up or otherwise, the holders of the PEF shares shall be entitled to receive, to the exclusion to the holders of all other classes of shares, any undistributed sums, securities or other assets that are received by the Company in respect of the Company's indirect interest, through its subsidiary Barclays Korea GP Limited, in the Global Dynasty Private Equity Natural Resources fund.

As to redemption, the PEF shares are not redeemable at any time at the option of the holders, however, the PEF shares are redeemable by the Company at any time.

**NORTHWHARF INVESTMENTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

PEF shares

	<b>Number of zero coupon preference shares</b>	<b>Share premium £000</b>	<b>Total £000</b>
<b>2019</b>			
Balance at 1 January and 31 December	17,871	17,853	17,853

	<b>Number of zero coupon preference shares</b>	<b>Share premium £000</b>	<b>Total £000</b>
<b>2018</b>			
Balance at 1 January and 31 December	17,871	17,853	17,853

During 2010, the Company redeemed 69,579,498 0% preference shares for £87,433,000 which resulted in the creation of a share premium reserve for the premium amount of shares redeemed of £17,853,000.

On the return of capital on a liquidation or winding up of the Company, the assets of the Company available for distribution (excluding any undistributed sums, securities or other assets that are received by the Company in respect of the Company's indirect interest, through its subsidiary Barclays Korea GP Limited, in the Global Dynasty Private Equity Natural Resources fund) will first be applied to the subscription price in respect of the 8% redeemable preference shares – defined in the Company's Articles of Association as the amount paid up including the full amount of any premium – secondly to any amount relating to accrued but as yet unpaid dividend on the 8% redeemable preference shares, thirdly, to the subscription price in respect of the zero-coupon preference shares – defined in the Company's Articles of Association as the amount paid up including the full amount of any premium – and fourthly, to the ordinary shareholders according to the number of shares held by them.

**17. Financial risks**

The Company's activities expose it to a variety of financial risks. These are credit risk, liquidity risk and market risk, (which includes foreign currency risk, interest rate risk and price risk). Consequently, the Company devotes considerable resources to maintaining effective controls to manage, measure and mitigate each of these risks, and regularly reviews its risk management procedures and systems to ensure that they continue to meet the needs of the business.

The Board of Directors monitors the Company's financial risks and has responsibility for ensuring effective risk management and control.

The Company's Directors are required to follow the requirements of the Group risk management policies. These policies include specific guidelines on the management of foreign exchange, interest rate and credit risk, and advise on the use of financial instruments to manage them. The Company seeks to minimise its exposure to liquidity and credit risk by applying these policies, and monitors exposures on a portfolio basis.

**(a) Credit Risk**

Credit risk is the risk of suffering financial loss, should any of the Company's customers or market counterparties fail to fulfil their contractual obligations to the Company. The Company assesses all counterparties, including its customers, for credit risk before contracting with them. The Company monitors its exposures and seeks to minimize its credit exposures by monitoring the credit rating of its counterparties in accordance with Group risk management policies.

**NORTHWHARF INVESTMENTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019****Financial assets subject to credit risk neither past due nor individually impaired**

Financial assets subject to credit risk that are neither past due nor individually impaired can be analysed according to the credit ratings used by the Company when assessing customers and counterparties. The Company uses the following credit ratings system:

**Strong:** There is a very high likelihood of the asset being recovered in full.

**Satisfactory:** where there is a likelihood that the asset will be recovered and therefore, of no cause for concern to the Company, the asset may not be collateralised, or may relate to retail facilities, such as credit card balances and unsecured loans, which have been classified as satisfactory, regardless of the fact that the output of internal grading models may have indicated a higher classification. At the lower end of this grade there are customers that are being more carefully monitored, for example, corporate customers which are indicating some evidence of deterioration, mortgages with a high loan to value, and unsecured retail loans operating outside normal product guidelines.

**Higher risk:** there is concern over the obligor's ability to make payments when due. However, these have not yet converted to actual delinquency. There may also be doubts over the value of collateral or security provided. However, the borrower or counterparty is continuing to make payments when due and is expected to settle all outstanding amounts of principal and interest.

The credit quality of financial assets subject to credit that were neither past due nor impaired, based on above credit ratings, was as follows:

	<b>Strong</b>	<b>Satisfactory</b>	<b>Higher risk</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
31 December 2019				
Cash and cash equivalents	5,033	-	-	5,033
Tax asset	1,879	-	-	1,879
Loan and other receivables	-	181,352	-	181,352
<b>Total</b>	<b>6,912</b>	<b>181,352</b>	<b>-</b>	<b>188,264</b>

	<b>Strong</b>	<b>Satisfactory</b>	<b>Higher risk</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
31 December 2018				
Cash and cash equivalents	1,308	-	-	1,308
Tax asset	1,685	-	-	1,685
Loan and other receivables	-	185,562	-	185,562
<b>Total</b>	<b>2,993</b>	<b>185,562</b>	<b>-</b>	<b>188,555</b>

**b) Liquidity risk**

This is the risk that the Company's cash and committed facilities may be insufficient to meet its debts as they fall due. The Company has the financial support of the parent undertaking Barclays PLC if needed; it also maintains banking facilities with Barclays Bank PLC. These facilities are designed to ensure the Company has sufficient available funds for operations.

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

**Contractual maturity of financial liabilities on an undiscounted basis**

The table below presents the cash flows payable by the Company under financial liabilities by remaining contractual maturities at the balance sheet date. The amounts disclosed in the table are the contractual undiscounted cash flows of all financial liabilities (i.e. nominal values), whereas the Company manages the inherent liquidity risk based on discounted expected cash inflows.

**NORTHWHARF INVESTMENTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

The balances in the below table differ from the balances in the balance sheet as the table incorporates all cash flows, on an undiscounted basis, related to both principal as well as those associated with all future dividend payments.

<b>31 December 2019</b>	<b>On demand £000</b>	<b>Under one year £000</b>	<b>Over one year but not more than five years £000</b>	<b>Total £000</b>
Amounts due to Group undertakings	27,436	133,266	261,087	421,789
<b>Total financial liabilities</b>	<b>27,436</b>	<b>133,266</b>	<b>261,087</b>	<b>421,789</b>

<b>31 December 2018</b>	<b>On demand £000</b>	<b>Under one year £000</b>	<b>Total £000</b>
Amounts due to Group undertakings	27,118	371,893	399,011
<b>Total financial liabilities</b>	<b>27,118</b>	<b>371,893</b>	<b>399,011</b>

**c) Market risk**

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

**Interest rate risk**

Interest rate risk is the possibility that changes in interest rates will result in higher financing costs and / or reduced income from the Company's interest bearing financial assets and liabilities. The Company's interest rate risk arises from economic funding loans held on behalf of the Barclays Natural Resources investments business. The risk is deemed to be mitigated as it is spread across group entities as well as offsetting deposits reducing the effects of interest rate risk.

**Foreign currency risk**

The Company is exposed to foreign currency risk from future foreign currency transactions, and recognised assets and liabilities.

At 31 December 2019, the Company had net US Dollar liabilities of £40,674,300 (2018: £22,098,000), net Euro assets of £46,417,000 (2018: £27,856,000), net Canadian Dollar assets of £7,194,000 (2018: liabilities of £12,026,000) and net South African Rand assets of £64,000 (2018: £61,000).

The following sensitivity table demonstrates the effects of a 10% rise or fall in foreign exchange rates for each of the major foreign currency exposures of the Company:

## NORTHWHARF INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

	Impact on profit if currency weakens 10% vs. GBP	Impact on profit if currency weakens 10% vs. GBP	Impact on profit if currency strengthens 10% vs. GBP	Impact on profit if currency strengthens 10% vs. GBP
2019	£000	%	£000	%
US Dollar	3,698	21	(4,519)	(26)
Euro	(4,220)	(24)	5,157	29
Canadian Dollar	(654)	(4)	799	5
South African Rand	(6)	-	7	-

	Impact on profit if currency weakens 10% vs. GBP	Impact on profit if currency weakens 10% vs. GBP	Impact on profit if currency strengthens 10% vs. GBP	Impact on profit if currency strengthens 10% vs. GBP
2018	£000	%	£000	%
US Dollar	2,009	4	(2,455)	(5)
Euro	(2,532)	(5)	3,095	6
Canadian Dollar	(1,093)	(2)	1,336	3
South African Rand	(5)	-	7	-

**Price risk**

The Company's investments face risks when its underlying investments encounter environmental, macroeconomic, business, financial, manpower, legal, political, regulatory, and other challenges. In addition, the Company may be subjected to other investment risks.

At 31 December 2019, the Company's financial assets were valued based on the valuation of underlying investments that the Company has an indirect interest in via its financial assets. These underlying investments are primarily in companies within the natural resource sector and are valued using a discounted cash flow methodology.

The underlying investments are primarily in privately held companies. Investments in privately held companies, especially at the earlier stages of growth and expansion, often carry a higher degree of risk than investments in listed companies. Privately held companies tend to have less financial, human and other resources and less access to those resources. These investments in privately held companies, prior to their being listed, generally have limited liquidity.

At 31 December 2019 the fair value of financial assets exposed to price risk was as follows:

	2019 £000	2018 £000
Financial assets not traded in an active market designated at fair value through profit or loss	473,543	464,532
<b>Total financial assets at fair value through profit or loss subject to other price risk</b>	<b>473,543</b>	<b>464,532</b>

**NORTHWHARF INVESTMENTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

The financial assets held by the Company are measured at fair value as defined by IFRS 13 'Fair value measurement'. Price risk is the risk that the fair value of these financial assets will fluctuate because of changes in market prices other than those arising from interest rate or currency risk but including unobservable inputs. The Directors have disclosed additional sensitivity analysis where those inputs have a significant impact on the valuation.

The portfolio of underlying assets which drive the value of the Company's financial assets are illiquid and the Directors recognise that the nature of these investments and associated assumptions is such that there is significant management judgement in a number of inputs into the valuation, which can result in a large range of possible valuations and therefore regard that there is a material uncertainty over the outcome of the fair values of the portfolio and the valuation of these investments. At 31 December 2019, the underlying investments were valued based on expected future cash-flows and listed prices where possible.

The Directors take a long-term view on commodity prices in-line with the long-term nature of the investments held; the underlying investments are valued based on expected future cash-flows using these long-term commodity prices. As such, changes in the long-term price forecasts for the investments will result in changes to the overall financial assets held at fair value through the profit or loss on the balance sheet. Due to increased market volatility on copper, oil and gas prices during 2019, the Directors feel it prudent to provide a range of values based on the spread of analyst forecasts for the prices and the effect the change will have on the financial assets held at fair value through the profit and loss.

The Company holds partnership loans (designated as 'financial assets at fair value through the profit and loss') in two entities where the underlying investment is dependent on the price of copper. The effect on the fair value of these financial assets resulting from a potential fluctuation in copper price is shown in the table below:

## Effect on income

	Impact on profit if copper price decreases \$0.3/lb	Impact on profit if copper price decreases \$0.3/lb	Impact on profit if copper price increases \$0.3/lb	Impact on profit if copper price increases \$0.3/lb
2019	£000	%	£000	%
Total	(84,425)	(477)	68,566	387

	Impact on profit if copper price decreases \$0.31/lb	Impact on profit if copper price decreases \$0.31/lb	Impact on profit if copper price increases \$0.31/lb	Impact on profit if copper price increases \$0.31/lb
2018	£000	%	£000	%
Total	(89,448)	(183)	73,421	150

On 22 April 2019, a request for an injunction was submitted to the relevant regulatory authority in relation to one of the Partnership's assets (Southern Peaks Mining). Management note that there have been no further developments in relation to this injunction and as such the case is still ongoing. As such at this stage no estimate of the likely outcome or any financial effect can be made.

**NORTHWHARF INVESTMENTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
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The Company also holds partnership loans (designated as 'financial assets at fair value through the profit and loss') in an entity where the underlying investment is dependent on the price of oil. The effect on the fair value of these financial assets resulting from a potential fluctuation in oil price is shown in the table below:

*Effect on income*

	Impact on profit if oil price decreases \$6.5/bbl	Impact on profit if oil price decreases \$6.5/bbl	Impact on profit if oil price increases \$6.5/bbl	Impact on profit if oil price increases \$6.5/bbl
	£000	%	£000	%
<b>2019</b>				
Total	(3,275)	(18)	3,617	20

	Impact on profit if oil price decreases \$6.6/bbl	Impact on profit if oil price decreases \$6.6/bbl	Impact on profit if oil price increases \$6.6/bbl	Impact on profit if oil price increases \$6.6/bbl
	£000	%	£000	%
<b>2018</b>				
Total	(11,178)	(23)	6,766	14

The Company also holds a partnership loan (designated as 'financial assets at fair value through the profit and loss') in an entity where the underlying investment is dependent on the price of gas. The effect on the fair value of the financial asset, resulting from a potential fluctuation in gas price is shown in the table below:

*Effect on income*

	Impact on profit if gas price decreases 2p/Therm	Impact on profit if gas price decreases 2p/Therm	Impact on profit if gas price increases 2p/Therm	Impact on profit if gas price increases 2p/Therm
	£000	%	£000	%
<b>2019</b>				
Total	(6,876)	(39)	6,850	39

	Impact on profit if gas price decreases 5p/Therm	Impact on profit if gas price decreases 5p/Therm	Impact on profit if gas price increases 5p/Therm	Impact on profit if gas price increases 5p/Therm
	£000	%	£000	%
<b>2018</b>				
Total	(7,337)	(15)	6,551	13

The Company also holds a partnership loan (designated as 'financial assets at fair value through the profit and loss') in an entity where the underlying investment is dependent on the price of zinc, gold and silver. The effect on the fair value of the financial asset, resulting from a potential fluctuation in these are shown in below:

## NORTHWHARF INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
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	Impact on profit if zinc price decreases 11p/lb	Impact on profit if zinc price decreases 11p/lb	Impact on profit if zinc price increases 11p/lb	Impact on profit if zinc price increases 11p/lb
	£000	%	£000	%
2019				
Total	(9,025)	(51)	8,879	50

	Impact on profit if zinc price decreases 11p/lb	Impact on profit if zinc price decreases 11p/lb	Impact on profit if zinc price increases 11p/lb	Impact on profit if zinc price increases 11p/lb
	£000	%	£000	%
2018				
Total	(6,064)	(12)	6,064	12

	Impact on profit if gold price decreases \$135.00/oz	Impact on profit if gold price decreases \$135.00/oz	Impact on profit if gold price increases \$135.00/oz	Impact on profit if gold price increases \$135.00/oz
	£000	%	£000	%
2019				
Total	(2,771)	(16)	2,791	16

	Impact on profit if gold price decreases \$130.00/oz	Impact on profit if gold price decreases \$130.00/oz	Impact on profit if gold price increases \$130.00/oz	Impact on profit if gold price increases \$130.00/oz
	£000	%	£000	%
2018				
Total	(2,371)	(5)	2,371	5

	Impact on profit if silver price decreases \$1.75/oz	Impact on profit if silver price decreases \$1.75/oz	Impact on profit if silver price increases \$1.75/oz	Impact on profit if silver price increases \$1.75/oz
	£000	%	£000	%
2019				
Total	(4,982)	(28)	5,002	28

	Impact on profit if silver price decreases \$1.8/oz	Impact on profit if silver price decreases \$1.8/oz	Impact on profit if silver price increases \$1.8/oz	Impact on profit if silver price increases \$1.8/oz
	£000	%	£000	%
2018				
Total	(3,887)	(8)	3,778	5



**NORTHWHARF INVESTMENTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
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At 31 December 2019, the underlying investments were valued based on expected future cash-flows. For two investments, this is the expected future cash flows from the measured, indicated and inferred resources of copper and incremental exploration upside, thus changes in these expected resources may result in significant changes to the overall investments held at fair value through profit or loss on the balance sheet. These resources have been measured to date using applicable local standards, which the Directors believe would remain at the same level if translated to international standards; however, were the resources to shift the reasonable range they would fall in and the profit or loss impact to the Company is disclosed below:

Effect on income

	Impact on profit if expected resources decrease 10%	Impact on profit if expected resources decrease 10%	Impact on profit if expected resources increase 10%	Impact on profit if expected resources increase 10%
2019	£000	%	£000	%
Total	(71,610)	(404)	50,765	287

	Impact on profit if expected resources decrease 10%	Impact on profit if expected resources decrease 10%	Impact on profit if expected resources increase 10%	Impact on profit if expected resources increase 10%
2018	£000	%	£000	%
Total	(79,853)	(163)	61,042	125

At 31 December 2019, the underlying investments were valued based on expected future cash-flows. For another investment, this is the expected future cash flows from expected resources of gas, which are based on a geological and geophysical estimate using a seismic mapping of trap and rock properties. As the development of the well advances, the recoverable resources estimate will continue to evolve: were the resources to shift, the reasonable range they would fall in and the profit or loss impact to the Company is disclosed below:

Effect on income

	Impact on profit if expected resources decrease 10%	Impact on profit if expected resources decrease 10%	Impact on profit if expected resources increase 10%	Impact on profit if expected resources increase 10%
2019	£000	%	£000	%
Total	(9,976)	(56)	10,678	58

	Impact on profit if expected resources decrease 10%	Impact on profit if expected resources decrease 10%	Impact on profit if expected resources increase 10%	Impact on profit if expected resources increase 10%
2018	£000	%	£000	%
Total	(5,873)	(12)	7,773	16

**NORTHWHARF INVESTMENTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
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At 31 December 2019, the underlying investments were valued based on expected future cash-flows. For one investment, this is the expected future cash flows from the measured, indicated and inferred resources of zinc, gold, silver, and incremental exploration upside, thus changes in these expected resources may result in significant changes to the overall investments held at fair value through profit or loss on the balance sheet. These resources have been measured to date using applicable local standards, which the Directors believe would remain at the same level if translated to international standards; however, were the resources to shift the reasonable range they would fall in and the profit or loss impact to the Company is disclosed below:

Effect on income

	Impact on profit if expected resources decrease 10%	Impact on profit if expected resources decrease 10%	Impact on profit if expected resources increase 10%	Impact on profit if expected resources increase 10%
	£000	%	£000	%
2019				
Total	(16,962)	(96)	12,678	72

	Impact on profit if expected resources decrease 10%	Impact on profit if expected resources decrease 10%	Impact on profit if expected resources increase 10%	Impact on profit if expected resources increase 10%
	£000	%	£000	%
2018				
Total	(13,174)	(27)	10,461	21

The Directors are aware that the volatility of markets is such that commodity prices are subject to greater rises and falls than stated in the above sensitivity disclosure tables. As required, the impact of this volatility on the FV of investments is assessed in note 20 Events after the reporting date.

**18. Fair values**

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

The following table shows the Company's assets and liabilities that are held at fair value analysed by fair value hierarchy and balance sheet classification:

	Quoted market prices (Level 1)	Observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	£000	£000	£000	£000
31 December 2019				
Financial assets designated at fair value	10,973	-	462,570	473,543
31 December 2018				
Financial assets designated at fair value	-	-	464,532	464,532

**NORTHWHARF INVESTMENTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019****Valuation governance**

The governance around the valuation of the investments is operated within the Group and not at an entity level. The valuations reported are reviewed by a Valuation Committee in line with the Group requirements. This committee meets on a monthly basis to review the fair value of all investments across a portfolio of companies and to challenge the assumptions made in the valuations for appropriateness. Any material difference or valuation concerns are escalated to the senior management within the Group and the Board of the entity.

**Valuation methodology**

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

**Valuations based on observable inputs****Quoted market prices - Level 1**

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

**Valuation technique using observable inputs - Level 2**

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

**Valuations based on unobservable inputs**

The entity has a number of level three assets within its portfolio that are valued using discounted cash-flow models that contain a number of unobservable data inputs. The material drivers to fair value across this asset class are commodity prices. The inputs into the models are based upon commodity market analyst expectations which often do not cover long term production time horizons.

A range of commodity price inputs has been used in the models and these are set out below:

Copper price: \$3.00/lb  
Oil price: \$65/bbl  
Gas price: 19.3p/therm  
Zinc price: \$1.06/lb  
Gold: \$1,350/oz  
Silver: \$17.5/oz

The following table summarises the movements in the Level 3 balance during the year. The table shows gains and losses and includes amounts for all assets and liabilities transferred to and from Level 3 during the year. Transfers have been reflected as if they had taken place at the beginning of the year.

	<b>1 January 2019 £000</b>	<b>Additions £000</b>	<b>Disposals £000</b>	<b>Fair value movement £000</b>	<b>Transfer out £000</b>	<b>31 December 2019 £000</b>
Financial assets designated at fair value	464,532	5,823	(9,117)	8,876	(7,544)	462,570

## NORTHWHARF INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

	1 January 2018 £000	Additions £000	Disposals £000	Fair value movement £000	31 December 2018 £000
Financial assets designated at fair value	417,628	16,486	(56,450)	86,868	464,532

## Unrealised gains and losses on Level 3 financial assets and liabilities

The following table discloses the unrealised gains and losses recognised in the year arising on Level 3 assets and liabilities held at year end:

	2019 Income statement Fair value movements £000	2019 Total £000	2018 Income statement Fair value movements £000	2018 Total £000
Financial assets designated at fair value	16,715	16,715	53,230	53,230

## Significant unobservable inputs

The following table discloses the valuation techniques and significant unobservable inputs for assets and liabilities recognised at fair value and classified as Level 3 along with the range of values used for those significant unobservable inputs:

Non derivative financial instruments	Total £000	Valuation technique	Chance of success range	Discount rate range	Net asset value multiple	Earnings multiple
Partnership loans	307,621	Discounted cash flows	20%-100%	8%-10%	-	-
Partnership loans	58,399	Discounted cash flows	-	8%	0.65x	-

**NORTHWHARF INVESTMENTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019****19. Related party transactions**

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

The definition of related parties includes the parent company, ultimate parent company and the Company's key management which includes its Directors.

The parent and ultimate controlling party of the Company are disclosed in note 22.

**19.1 Other related party transactions**

Related party transactions are as follows:

Related party relationship	Type of transaction	Transaction amount		Balance owed	
		2019 £000	2018 £000	2019 £000	2018 £000
Group companies	Interest receivable and similar income	1,397	1,017	-	-
Group companies	Interest payable and similar charges	(10,544)	(8,665)	-	-
Group companies	Fair value gains on assets designated at fair value through profit and loss	8,481	100,344	-	-
Group companies	Investments in subsidiaries	-	-	40	40
Group companies	Assets held at fair value through the profit and loss	-	-	449,892	450,983
Group companies	Loans and other receivables	-	-	181,288	185,321
Group companies	Cash and cash equivalents	-	-	5,033	1,308
Group companies	Borrowings	-	-	(395,835)	(392,778)
Group companies	Called up share capital	-	-	(5)	(5)
		<b>(666)</b>	<b>92,696</b>	<b>240,413</b>	<b>244,869</b>

**NORTHWHARF INVESTMENTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019****20. Events after the reporting date**

Since year end, there has been a material down turn in a number of commodity markets which has a direct impact on the valuation of investments held by the underlying Partnerships. There continues to be substantial uncertainty in these markets and the Directors will continue to review the impact this has on the underlying portfolio companies.

Subsequent to 31 December 2019, there has been a global outbreak of a coronavirus disease 2019 ("COVID-19"), which the World Health Organization has declared a "Public Health Emergency of International Concern." The effects of a public health emergency may materially and adversely impact the value and performance of the underlying portfolio companies, their ability to achieve their investment objectives and/or their ability to continue to operate. The Directors consider the emergence and spread of COVID-19 to be a non-adjusting post balance sheet event. Given the inherent uncertainties, it is not practicable at this time to determine the impact of COVID-19 on the fund or to provide a quantitative estimate of this impact. The situation continues to be monitored.

Subsequent to the year end, one of the companies the Company invests in was notified of a potential liability. Management assess that there is a range of possible outcomes, including a zero impact or one which would result in a material fall in the fair value of the investment, but that the quantum and likelihood of each potential outcome cannot be estimated at this time. The Company owns less than 100% of the investment and as such would only bear a proportion of any fall in the fair value of this asset.

**21. Capital management**

The Company's objectives when managing capital are:

- To safeguard the Company's ability to continue as a going concern,
- To maintain an optimal capital structure in order to reduce the cost of capital, and
- To generate sufficient capital to support asset growth.

The Board of Directors is responsible for capital management and has approved minimum control requirements for capital and liquidity risk management.

The Company regards its capital as equity as shown in the balance sheet.

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Share capital	5	5
Share premium	18,502	18,502
Retained earnings	245,048	227,341
 Total capital resources	 <u><u>263,555</u></u>	 <u><u>245,848</u></u>

**22. Parent undertaking and ultimate holding company**

The Company is a subsidiary undertaking of Barclays Equity Holdings Limited which is the immediate parent company incorporated in the United Kingdom and registered in England.

The largest group in which the results of the Company are consolidated is that headed by Barclays PLC, 1 Churchill Place London E14 5HP. No other Group financial statements include the results of the Company.

The consolidated financial statements of Barclays PLC are available to the public and may be obtained from, Barclays Corporate Secretariat, 1 Churchill Place London E14 5HP.