Registered number: 6817403

RELATIVE VALUE TRADING LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

RELATIVE VALUE TRADING LIMITED

CONTENTS

	Page
Directors' Report	2 - 3
Strategic Report	4 - 5
Independent Auditors' Report	6 - 9
Income Statement	10
Statement of Financial Position	11 - 12
Statement of Changes in Equity	13
Statement of Cash Flows	14
Notes to the Financial Statements	15 - 29

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

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

Profits and dividends

During the year the Company made a loss after tax of $672,964 (2018: loss after tax of $168,807). The Directors do not recommend the payment of a final dividend (2018: $nil).

Post balance sheet events

The Company is monitoring the potential downside risk associated with both the direct and indirect impact of the COVID-19 outbreak and have concluded that its business strategy remains appropriate and adequate capital and liquidity is being maintained. The Company continues to operate in line with management's expectations.

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:

C Senior
J Walthoe
P Voisey
V Shah

Going concern

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

Statement of Directors' responsibilities 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.

RELATIVE VALUE TRADING LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

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 16.

Directors third party indemnity provisions

Qualifying third party indemnity provisions were in force (as defined by section 234 of the Companies Act 2006) during the course of the financial year ended 31 December 2019 for the benefit of the then Directors and, at the date of this report, are in force for the benefit of the Directors in relation to certain losses and liabilities, 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

KPMG LLP has been appointed by the Company to hold office in accordance with s.487 of the Companies Act 2006.

Statement of disclosure of information to auditors

So far as the Directors are aware, there is no relevant audit information of which the Company's 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.

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

DocuSigned by:

CDC26854148446C...

Director
Name: Patrick Voisey
Date: 1/10/2020
Registered number:6817403
1 Churchill Place, London, E14 5HP

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

Business review and principal activities

The principal activity of Relative Value Trading Limited is to act as an investment company.

Business performance

The results of the Company show a loss after tax of $672,964 (2018: loss of $168,807) for the year. The Company has net liabilities of $374,914 (2018: net assets of $298,050).

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

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Barclays PLC group and are not managed separately. Accordingly, the principal risks and uncertainties of Barclays PLC, which include those of the Company, are discussed in the Barclays PLC 2019 Annual Report which does not form part of this report.

Key performance indicators

The directors of Barclays PLC manage the group's operations on a business cluster basis. For this reason, the Company's Directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The development, performance and position of the relevant business cluster, which includes the Company, is discussed in the Barclays PLC 2019 Annual Report, which does not form part of this report.

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 the Company 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;
- to the extent the Company has employees, the interests of the Company's employees;
- 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, including our regulator, 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.

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 Relative Value Trading Limited is 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 on and signed on its behalf.

DocuSigned by:

CDC26854148448C...

Director
Name: Patrick Voisey
Date: 1/10/2020
Registered number:6817403
1 Churchill Place, London, E14 5HP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RELATIVE VALUE TRADING LIMITED

1 Our opinion is unmodified
We have audited the financial statements of Relative Value Trading Limited ("the Company") for the year ended 31 December 2019 which comprise the Statement of Profit or Loss, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and related notes, including the accounting policies in note 5.

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 loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

2 Key audit matters: our assessment of risks of material misstatement
Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In arriving at our audit opinion above, the key audit matters, in decreasing order of audit significance, were as follows:

The Key Audit Matter	The risk	Our response
The structure and the contractual terms of the unsecured borrowings present a risk to the accounting of interest income, interest expense, loans and borrowings. (Interest income $78.2 million, 2018 $73.0 million) (Interest expense $77.9 million, 2018 $72.7 million) (Amounts due from group undertakings – principal $1,760.5 million 2018: $1,760.5 million) (Amounts due from group undertakings – interest $6.8 million 2018: $8.2 million) (Amounts due to group undertakings – principal $1,773.4 million 2018: $1,773.4 million) (Amounts due to group undertakings – interest $6.8 million 2018: $8.2 million)	**Accounting treatment of entity structure** The Company is set up by Barclays Bank PLC with the sole purpose being to hold and issue intercompany loans. As part of the structure, Relative Value Trading Limited, issues unsecured floating rate senior and junior notes and purchases unsecured floating rate senior and junior notes within the Barclays group. Due to the structure and terms of the notes, there is a risk that interest income and principal balances receivable from notes (referred to as 'loans and receivables'), interest expense and principal balances of loans payable to investors (referred to as 'borrowings), are not appropriately accounted and reported.	Our procedures included: Inspection of documents: We compared the underlying transaction flows against key legal and contractual documents and reports. These included: - the agreement and terms for the loans and receivables and debt securities issued which govern the operation of the Company and its transaction flows to understand the structure and the accounting treatment of the transactions. - the minutes of the board of directors meetings for the year to identify and investigate any unusual trends or incidents that would indicate a misstatement in the balances of the loan and receivables and debt securities issued and the associated interest income and expense. - Test of details: We agreed balances outstanding for loans and receivables and debt securities issued as at 31 December 2019 to the contractual terms governed by the legal agreement. We recalculated interest income arising from the loans and receivables and the interest expense on the debt securities for consistency. Our results We found the accounting and reporting of the loans and receivables, debt securities issued and interest income and expense to be acceptable (2018 result: acceptable).

We continue to perform procedures over impact of uncertainties consequent upon the UK's departure from the European Union on our audit. However, following the passing of time since Article 50 was first triggered, giving companies more time to plan for different scenarios of exit, we have not assessed this as one of the most significant risks in our current year audit and, therefore, these are not separately identified in our report this year.

3 Our application of materiality and an overview of the scope of our audit
Materiality for the financial statements as a whole was set at $17.8m ($17.8m in 2018), determined with reference to a benchmark of total assets of $1,780m ($1,783m in 2018) (of which it represents 1%).

We consider total assets to be the most appropriate benchmark as the Company is a special purpose entity, set up by Barclays Bank PLC to issue unsecured floating rate senior and junior notes. Accordingly, the Company is not established with the objective of profit maximisation but rather its main purpose is to remit the cash received in respect of its assets so as to repay its liabilities. As such, total assets are deemed to be the benchmark which users of the financial statements focus their attention on.

4 We have nothing to report on 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").

Our responsibility is to conclude on the appropriateness of the Directors' conclusions and, had there been a material uncertainty related to going concern, to make reference to that in this audit report. 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.

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 evaluated those risks and concluded that they were not significant enough to require us to perform additional audit procedures.

Based on this work, 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.

We have nothing to report in these respects, and we did not identify going concern as a key audit matter.

5 We have nothing to report on ther other infromation in the Annual Report
The Directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information 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 other information.

Strategic report and directors' report
Based solely on our work on the other information:

- 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.

6 We have nothing to report on the other 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 by the Company, 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.

7 Respective responsibilities

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RELATIVE VALUE TRADING LIMITED

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 including 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.

8 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.

M. McG

Michael McGarry (Senior Statutory Auditor)

for and on behalf of

KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square
London E14 5GL
United Kingdom
Date: 1/10/20

RELATIVE VALUE TRADING LIMITED

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 $	2018 $
Interest income	6	78,210,171	72,977,289
Interest expense	6	(77,948,115)	(72,720,558)
Net interest income		262,056	256,731
Impairment loss	7	(414,755)	-
Loss from foreign exchange		(4,702)	-
(Loss)/profit before tax		(157,401)	256,731
Tax	11	(515,563)	(425,538)
Loss for the year		(672,964)	(168,807)

The accompanying notes from pages 15 to 29 form an integral part of these financial statements.

RELATIVE VALUE TRADING LIMITED
REGISTERED NUMBER: 6817403

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 $	2018 $
Assets			
Non-current assets			
Loans and advances at amortised cost	12	1,760,085,245	1,760,500,000
Total non-current assets		1,760,085,245	1,760,500,000
Current assets			
Loans and advances at amortised cost	12	6,798,443	8,157,550
Cash and cash equivalents	13	13,362,225	14,426,136
Total current assets		20,160,668	22,583,686
Total assets		1,780,245,913	1,783,083,686
Liabilities			
Non-current liabilities			
Borrowings	14	(1,773,435,723)	(1,773,435,723)
Total non-current liabilities		(1,773,435,723)	(1,773,435,723)
Current liabilities			
Borrowings	14	(6,799,318)	(8,168,411)
Current tax liability	11	(385,786)	(1,181,502)
Total current liabilities		(7,185,104)	(9,349,913)
Total liabilities		(1,780,620,827)	(1,782,785,636)
Net (liabilities)/assets		(374,914)	298,050
Issued capital and reserves			
Share capital	15	230,000	230,000
Retained earnings		(604,914)	68,050
TOTAL EQUITY		(374,914)	298,050

The accompanying notes from pages 15 to 29 form an integral part of these financial statements.

The financial statements were approved and authorised for issue by the board of Directors on 1/10/2020 and were signed on its behalf by:

RELATIVE VALUE TRADING LIMITED
REGISTERED NUMBER: 6817403

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2019

DocuSigned by:

Director
Name: Patrick Voisey
Date: 1/10/2020
Registered number:6817403
1 Churchill Place, London, E14 5HP

RELATIVE VALUE TRADING LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Share capital	Retained earnings	Total equity
	$	$	$
At 1 January 2019	230,000	68,050	298,050
Loss for the year	-	(672,964)	-
Total comprehensive income for the year	-	(672,964)	(672,964)
At 31 December 2019	230,000	(604,914)	(374,914)

	Share capital	Retained earnings	Total equity
	$	$	$
At 1 January 2018	230,000	236,857	466,857
Loss for the year	-	(168,807)	-
Total comprehensive income for the year	-	(168,807)	(168,807)
At 31 December 2018	230,000	68,050	298,050

The accompanying notes from pages 15 to 29 form an integral part of these financial statements.

RELATIVE VALUE TRADING LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 $	2018 $
Cash flows from operating activities		
Profit before tax	(157,401)	256,731
Adjustments for		
Interest income	(78,210,171)	(72,977,289)
Interest expense	77,948,115	72,720,558
Impairment loss	414,755	-
Interest received	79,569,278	70,650,236
Interest paid	(79,317,208)	(70,377,770)
Group relief tax settlement	(1,311,279)	-
	(1,063,911)	272,466
Net increase in cash and cash equivalents		
Cash and cash equivalents at 1 January	14,426,136	14,153,670
Cash and cash equivalents at the end of the year	13,362,225	14,426,136

The accompanying notes from pages 15 to 29 form an integral part of these financial statements.

1. Reporting entity

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

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. Compliance with International Financial Reporting Standards

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the 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.

3. Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention. They are presented in US Dollars (USD), the currency of the country in which the Company is incorporated.

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

4. New and amended standards

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

5. Significant accounting policies

5.1 Foreign currency translation

Items included in the financial statements of the Company are measured using their *functional currency*, being US Dollars (USD) 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.

5. Significant accounting policies (continued)

5.2 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.

5.3 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.

5.4 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

5.5 Current and deferred tax

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

Deferred income tax is provided in full, using the liability method, on temporary differences arising from the differences between the tax bases of assets and liabilities and their carrying amounts in the Company's financial statements. Deferred income tax is determined using tax rates and legislation enacted or substantively enacted by the balance sheet date and that are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised on deductible temporary differences, carry forward of unused tax losses and unused tax credits to the extent that it is regarded as probable that sufficient taxable profits will be available against which the deductible temporary difference, unused tax losses and unused tax credits can be utilised.

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

5.6 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.

Recognition
The Company recognises financial assets and liabilities when it becomes a party to the terms of the contract. Trade date or settlement date accounting is applied depending on the classification of the financial asset.

Classification and measurement
Financial assets are classified on the basis of two criteria:
i) the business model within which financial assets are managed; and
ii) their contractual cash flow characteristics (whether the cash flows represent 'solely payments of principal and interest' (SPPI)).

The Company assesses the business model criteria at a portfolio level. Information that is considered in determining the applicable business model includes (i) policies and objectives for the relevant portfolio, (ii) how the performance

5. Significant accounting policies (continued)

and risks of the portfolio are managed, evaluated and reported to management, and (iii) the frequency, volume and timing of sales in prior periods, sales expectation for future periods, and the reasons for such sales.

The contractual cash flow characteristics of financial assets are assessed with reference to whether the cash flows represent SPPI. In assessing whether contractual cash flows are SPPI compliant, interest is defined as consideration primarily for the time value of money and the credit risk of the principal outstanding. The time value of money is defined as the element of interest that provides consideration only for the passage of time and not consideration for other risks or costs associated with holding the financial asset. Terms that could change the contractual cash flows so that it would not meet the condition for SPPI are considered, including: (i) contingent and leverage features, (ii) non-recourse arrangements and (iii) features that could modify the time value of money.

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

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

Loans and advances and financial liabilities, are held at amortised cost. That is, the initial fair value (which is normally the amount advanced or borrowed) is adjusted for repayments and the amortisation of coupon, fees and expenses to represent the effective interest rate of the asset or liability. Balances deferred on-balance sheet as effective interest rate adjustments are amortised to interest income over the life of the financial instrument to which they relate.

Financial assets that are held in a business model to collect the contractual cash flows and that contain contractual terms that give rise on specified dates to cash flows that are SPPI, are measured at amortised cost. The carrying value of these financial assets at initial recognition includes any directly attributable transaction costs.

In determining whether the business model is a 'hold to collect' model, the objective of the business model must be to hold the financial asset to collect contractual cash flows rather than holding the financial asset for trading or short-term profit taking purposes. While the objective of the business model must be to hold the financial asset to collect contractual cash flows this does not mean the Company is required to hold the financial assets until maturity. When determining if the business model objective is to collect contractual cash flows the Company will consider past sales and expectations about future sales.

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

Accounting for financial assets mandatorily at fair value
Financial assets that are held for trading are recognised at fair value through profit or loss. In addition, financial assets are held at fair value through profit or loss if they do not contain contractual terms that give rise on specified dates to cash flows that are SPPI, or if the financial asset is not held in a business model that is either (i) a business model to collect the contractual cash flows or (ii) a business model that is achieved by both collecting contractual cash flows and selling. Subsequent changes in fair value for these instruments are recognised in the income statement in net investment income, except if reporting it in trading income reduces an accounting mismatch.

Accounting for financial assets designated at fair value
Financial assets, other than those held for trading, are classified in this category if they are so irrevocably designated at inception and the use of the designation removes or significantly reduces an accounting mismatch.

Subsequent changes in fair value are recognised in the income statement in net investment income.
Financial liabilities
Financial liabilities are measured at amortised cost, except for trading liabilities which are held at fair value through profit or loss. Financial liabilities are derecognised when extinguished. The Company's financial liabilities comprise borrowings in the balance sheet.

Determining fair value
Where the classification of a financial instrument requires it to be stated at fair value, this is determined by reference to the quoted market price in an active market wherever possible.

5. Significant accounting policies (continued)

Impairment of financial assets
The Company is required to recognise expected credit losses (ECLs) based on unbiased forward-looking information for all financial assets at amortised cost, lease receivables, debt financial assets at fair value through other comprehensive income, loan commitments and financial guarantee contracts. Intercompany exposures, including loan commitments and financial guarantee contracts, are also in scope of IFRS 9 for ECL purposes.

At the reporting date, an allowance (or provision for loan commitments and financial guarantees) is required for the 12 month ECLs. If the credit risk has significantly increased since initial recognition (Stage 2), or if the financial instrument is credit impaired (Stage 3) an allowance (or provision) should be recognised for the lifetime ECLs.

The measurement of ECL is calculated using three main components: (i) probability of default (PD (ii) loss given default (LGD) and (iii) the exposure at default (EAD).

The 12 month ECL is calculated by multiplying the 12 month PD, LGD and the EAD. The 12 month and lifetime PDs represent the PD occurring over the next 12 months and the remaining maturity of the instrument respectively. The EAD represents the expected balance at default, taking into account the repayment of principal and interest from the balance sheet date to the default event together with any expected drawdowns of committed facilities. The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money.

Determining a significant increase in credit risk since initial recognition:
The Company assesses when a significant increase in credit risk has occurred based on quantitative and qualitative assessments. Exposures are considered to have resulted in a significant increase in credit risk and are moved to Stage 2 when:

Quantitative test
The annualised cumulative weighted average lifetime PD has increased by more than an agreed threshold relative to the equivalent at origination.

PD deterioration thresholds are defined as percentage increases, and are set at an origination score band and segment level to ensure the test appropriately captures significant increases in credit risk at all risk levels. Generally, thresholds are inversely correlated to the origination PD, i.e. as the origination PD increases, the threshold value reduces.

The assessment of materiality, i.e. at what point a PD increase is deemed 'significant', is based upon analysis of the portfolios' risk profile against a common set of principles and performance metrics (consistent across both retail and wholesale businesses), incorporating expert credit judgement where appropriate. Application of quantitative PD floors does not represent the use of the low credit risk exemption.

For existing/historic exposures where origination point scores/data are no longer available or do not represent a comparable estimate of lifetime PD, a proxy origination score is defined, based upon:
Back-population of the approved lifetime PD score either to origination date or, where this is not feasible, as far back as possible, (subject to a data start point no later than 1 January 2015); or
Use of available historic account performance data and other customer information, to derive a comparable 'proxy' estimation of origination PD.

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

High risk customers may not be in arrears but either through an event or an observed behaviour exhibit credit distress. The definition and assessment of high risk includes as wide a range of information as reasonably available, including industry and Group wide customer level data wherever possible or relevant.

Whilst the high risk populations applied for IFRS 9 impairment purposes are aligned with risk management processes, they are also regularly reviewed and validated to ensure that they capture any incremental segments where there is evidence of credit deterioration.

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

The criteria for determining a significant increase in credit risk for assets with bullet repayments follows the same principle as all other assets, i.e. quantitative, qualitative and backstop tests are all applied.

5. Significant accounting policies (continued)

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

The Company does not rely on the low credit risk exemption which would assume facilities of investment grade are not significantly deteriorated. Determining the PD at initial recognition requires management estimates.

Management overlays and other exceptions to model outputs are applied only if consistent with the objective of identifying significant increases in credit risk.

Forward-looking information
Credit losses are the expected cash shortfalls from what is contractually due over the expected life of the financial instrument, discounted at the original effective interest rate (EIR). ECLs are the unbiased probability-weighted credit losses determined by evaluating a range of possible outcomes and considering future economic conditions. When there is a non-linear relationship between forward-looking economic scenarios and their associated credit losses, five forward-looking economic scenarios are considered to ensure a sufficient unbiased representative sample of the complete distribution is included in determining the expected loss. Stress testing methodologies are leveraged within forecasting economic scenarios.

The measurement of ECL involves increased complexity and judgement, including estimation of PDs, LGD, a range of unbiased future economic scenarios, estimation of expected lives, and estimation of EAD and assessing significant increases in credit risk. Impairment charges will tend to be more volatile and will be recognised earlier. Unsecured products with longer expected lives, such as revolving credit cards, are the most impacted.

The Company utilises an external consensus forecast as the baseline scenario. In addition, two adverse and two favourable scenarios are derived, with associated probability weightings. The adverse scenarios are calibrated to a similar severity to internal stress tests, whilst also incorporating IFRS 9 specific sensitivities and non-linearity. The most adverse scenarios are benchmarked to the Bank of England's annual cyclical scenarios and to the most severe scenarios from Moody's inventory, but are not designed to be the same. The favourable scenarios are calibrated to be symmetric to the adverse scenarios, subject to a ceiling calibrated to relevant recent favourable benchmark scenarios. The scenarios include six core variables, (GDP, unemployment and House Price Index in both the UK & US markets), and expanded variables using statistical models based on historical correlations. The probability weights of the scenarios are estimated such that the baseline (reflecting current consensus outlook) has the highest weight and the weights of adverse and favourable scenarios depend on the deviation from the baseline; the further from the baseline, the smaller the weight. A single set of five scenarios is used across all portfolios and all five weights are normalised to equate to 100%. The impacts across the portfolios are different because of the sensitivities of each of the portfolios to specific macroeconomic variables, for example, mortgages are highly sensitive to house prices and base rates, and credit cards and unsecured consumer loans are highly sensitive to unemployment.

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

An asset is considered credit impaired when one or more events occur that have a detrimental impact on the estimated future cash flows of the financial asset. This comprises assets defined as defaulted and other individually assessed exposures where imminent default or actual loss is identified.

Uncollectible loans are written off against the related allowance for loan impairment on completion of the Barclays Group's internal processes and when all reasonably expected recoverable amounts have been collected. Subsequent recoveries of amounts previously written off are credited to the income statement.

Loan modifications and renegotiations that are not credit-impaired
When modification of a loan agreement occurs as a result of commercial restructuring activity rather than due to credit risk of the borrower, an assessment must be performed to determine whether the terms of the new agreement are substantially different from the terms of the existing agreement. This assessment considers both the change in cash flows arising from the modified terms as well as the change in overall instrument risk profile.

Where terms are substantially different, the existing loan will be derecognised and new loan recognised at fair value, with any difference in valuation recognised immediately within the income statement, subject to observability criteria.

5. Significant accounting policies (continued)

Where terms are not substantially different, the loan carrying value will be adjusted to reflect the present value of modified cash flows discounted at the original EIR, with any resulting gain or loss recognised immediately within the income statement as a modification gain or loss.

Expected life
Lifetime ECLs must be measured over the expected life. This is restricted to the maximum contractual life and takes into account expected prepayment, extension, call and similar options. The exceptions are certain revolver financial instruments, such as credit cards and bank overdrafts, that include both a drawn and an undrawn component where the entity's contractual ability to demand repayment and cancel the undrawn commitment does not limit the entity's exposure to credit losses to the contractual notice period. The expected life for these revolver facilities is expected to be behavioural life. Where data is insufficient or analysis inconclusive, an additional 'maturity factor' may be incorporated to reflect the full estimated life of the exposures, based upon experienced judgement and/or peer analysis. Potential future modifications of contracts are not taken into account when determining the expected life or EAD until they occur.

Discounting
ECLs are discounted at the EIR at initial recognition or an approximation thereof and consistent with income recognition. For loan commitments the EIR is the rate that is expected to apply when the loan is drawn down and a financial asset is recognised. Issued financial guarantee contracts are discounted at the risk free rate. Lease receivables are discounted at the rate implicit in the lease. For variable/floating rate financial assets, the spot rate at the reporting date is used and projections of changes in the variable rate over the expected life are not made to estimate future interest cash flows or for discounting.

Modelling techniques
ECLs are calculated by multiplying three main components, being the PD, LGD and the EAD, discounted at the original EIR. The regulatory Basel Committee of Banking Supervisors (BCBS) ECL calculations are leveraged for IFRS 9 modelling but adjusted for key differences which include:

BCBS requires 12 month through the economic cycle losses whereas IFRS 9 requires 12 months or lifetime point in time losses based on conditions at the reporting date and multiple forecasts of the future economic conditions over the expected lives;
IFRS 9 models do not include certain conservative BCBS model floors and downturn assessments and require discounting to the reporting date at the original EIR rather than using the cost of capital to the date of default;
Management adjustments are made to modelled output to account for situations where known or expected risk factors and information have not been considered in the modelling process, for example forecast economic scenarios for uncertain political events; and
ECL is measured at the individual financial instrument level, however a collective approach where financial instruments with similar risk characteristics are grouped together, with apportionment to individual financial instruments, is used where effects can only be seen at a collective level, for example for forward-looking information.

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

Forbearance
A financial asset is subject to forbearance when it is modified due to the credit distress of the borrower. A modification made to the terms of an asset due to forbearance will typically be assessed as a non-substantial modification that does not result in derecognition of the original loan, except in circumstances where debt is exchanged for equity.

Both performing and non-performing forbearance assets are classified as Stage 3 except where it is established that the concession granted has not resulted in diminished financial obligation and that no other regulatory definitions of default criteria has been triggered, in which case the asset is classified as Stage 2. The minimum probationary period for non-performing forbearance is 12 months and for performing forbearance, 24 months. Hence, a minimum of 36 months is required for non-performing forbearance to move out of a forborne state.

No financial instrument in forbearance can transfer back to Stage 1 until all of the Stage 2 thresholds are no longer met and can only move out of Stage 3 when no longer credit impaired.

Netting
Financial assets and liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a

5. Significant accounting policies (continued)

legally enforceable right to set off the recognised amounts in all circumstances and there is an intention to settle on a net basis, or to realise an asset and settle the liability simultaneously.

5.7 Investments in subsidiaries

Investments in subsidiaries are stated at cost less impairment, if any.

5.8 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.

5.9 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.

5.10 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.

5.11 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 consolidated and individual financial statements are highlighted under the relevant note.

6. Interest income and expense

Recognised in profit or loss

	2019 $	2018 $
Interest income		
Interest income from group undertakings	77,873,523	72,684,097
Interest income from parent undertakings	336,648	293,192
	78,210,171	72,977,289
Interest expense		
Interest expense to group undertakings	(77,948,115)	(72,720,558)
	(77,948,115)	(72,720,558)

7. Impairment loss

The below table breaks out the impairment loss on the Company's loans and other receivables:

	2019	2018
	$	$
At 1 January	-	-
Amount charged against profit during the year	(414,755)	-
At December 31	(414,755)	-

8. Audit fees

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 $22,163 (2018: $22,358) for the year. This fee is not recognised as an expense in the financial statements.

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, no Directors (2018: nil) exercised options under the Barclays PLC Sharesave Scheme and Long Term Incentive schemes.

10. Staff costs

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

11. Tax

Income tax recognised in profit or loss

	2019	2018
	$	$
Current tax		
Current tax on profits for the year	(515,563)	(425,538)
Total current tax	(515,563)	(425,538)

11. Tax (continued)

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 or deferred 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 losses for the year are as follows:

	2019 $	2018 $
Loss for the year	(672,964)	(168,807)
UK corporation tax	(515,563)	(425,538)
(Loss)/profit before income taxes	(157,401)	256,731
Tax using the Company's domestic tax rate of 19% (2018: 19%)	29,906	(48,780)
Thin capitalisation adjustment	(471,953)	(439,031)
Effect of foreign exchange	5,287	62,273
Non-deductible expense	(78,803)	-
Total tax expense	(515,563)	(425,538)

12. Loans and advances at amortised cost

	2019 $	2018 $
Current		
Loans and advances to group undertakings	6,798,443	8,157,550
	6,798,443	8,157,550
Non-current		
Loans and advances to group undertakings	1,760,085,245	1,760,500,000
	1,760,085,245	1,760,500,000

The loans and receivables at amortised cost represent unsecured floating rate senior and junior notes with a subscription amount of $499,500,000 and $1,261,000,000 respectively. The notes have a maturity date of 26 November 2025. The senior note carries interest of 3 month US Dollar Libor plus 10 basis points and the junior note carries interest of 3 month US Dollar Libor plus 267.5 basis points. As of 31 December 2019 the senior and junior notes had accrued interest of $6,798,443 and had assessed impairment of $297,078 and $117,677, respectively. The aforementioned notes do not have any breakage rights. The fair value of the senior and junior notes as of 31 December 2019 were $501,098,096 (2018: $503,192,968) and $1,407,042,659 (2018: $1,220,966,294), respectively.

13. Cash and cash equivalents

	2019 $	2018 $
Cash with Barclays Bank PLC	1,371,603	1,419,621
Deposits with Barclays Bank PLC	11,990,622	13,006,515
Total	13,362,225	14,426,136

14. Borrowings

	2019 $	2018 $
Current		
Amounts payable to group undertakings	(6,799,318)	(8,168,411)
	(6,799,318)	(8,168,411)
Non-current		
Amounts payable to group undertakings	(1,773,435,723)	(1,773,435,723)
	(1,773,435,723)	(1,773,435,723)

Borrowings include unsecured floating rate senior and junior notes with a subscription amount of $512,435,723 and $1,261,000,000 respectively. The notes have a maturity date of 26 November 2025. The aforementioned notes do not have any breakage rights. The senior note entitles the holder to receive a return of 3 month US Dollar Libor plus 10 basis points and the junior note entitles the holder to receive a return of 3 month US Dollar Libor plus 265.5 basis points. These notes are listed on the Cayman Islands Stock Exchange (initially listed on 26 November 2015). As of December 31 2019, the senior and junior notes had accured interest of $6,799,318. The fair value of the senior and junior notes as of 31 December 2019 were $514,075,205 and $1,405,613,810 respectively.

15. Share capital

Authorised

	2019 Number	2019 $	2018 Number	2018 $
Shares treated as equity				
Ordinary shares of $1.00 each	230,000	230,000	230,000	230,000
	230,000	230,000	230,000	230,000

15. Share capital (continued)

Issued and fully paid

	2019 Number	2019 $	2018 Number	2018 $
Ordinary shares of $1.00 each				
At 1 January and 31 December	230,000	230,000	230,000	230,000

The holders of the ordinary shares are entitled to vote at the general meetings of the Company and are entitled to receive such dividends as Directors may declare. The ordinary shares are not redeemable. The holders of the ordinary shares are entitled to participate in the distribution of any surplus assets of the Company.

16. Financial risks

The Company's activities expose it to a variety of financial risks. These are credit risk, liquidity risk and market risk, (which includes foreign currency risk, 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.

a) Credit risk

Credit risk is the risk that the Company's customers or counterparties will not be able or willing to pay interest, repay capital or otherwise to fulfil their contractual obligations in relation to the Company's financial assets.

The Company uses statistical modelling techniques in its credit rating system. These systems assist the Company in credit decisions on new commitments and in managing the portfolio of existing exposures. They enable the application of consistent risk measurement across all credit exposures. The key building blocks in the measurement system are the probability of customer default ('PD') (expressed through an internal risk rating), exposure at default ('EAD') and severity of loss-given-default ('LGD').

The Company assesses the credit quality and assigns an internal risk rating to all borrowers and other counterparties. Each internal rating corresponds to the statistical probability of a customer in that rating class defaulting within the next 12-month period. Exposure at default represents the expected level of utilisation of the credit facility when default occurs. At default the customer may not have drawn theloan/lease fully or may have already paid some of the principal, so that exposure is typically less than the approved loan limit. When a customer defaults, much of the outstanding loan/lease is usually recovered.

The part that is not recovered, the actual loss, is the LGD. The three components above, PD, EAD, and LGD, are used to calculate the expected loss. Credit exposures are actively managed; where weaknesses are detected action is taken to mitigate the risks. These include steps to reduce the amounts outstanding or the sale of assets. In addition, to mitigate the risk, security may be taken for funds advanced.

Maximum exposure to credit risk
The Company's maximum exposure to credit risk is disclosed in the table below. As the Company holds no collateral or credit enhancements, this is the same as the balance sheet exposure.

	2019 $	2018 $
Loans and advances at amortised cost	1,766,883,688	1,768,657,550
Cash and cash equivalents	13,362,225	14,426,136
	1,780,245,913	1,783,083,686

The table below describes the Company's credit exposure by industry type:

	2019	2018
	$	$
Financial institutions	13,362,225	14,426,136
Financial intermediaries	1,766,883,688	1,768,657,550
Total	1,780,245,913	1,783,083,686

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 Bank PLC, it also maintains banking facilities with Barclays Bank PLC. These facilities are designed to ensure the Company has sufficient available funds for operations. The 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.

As at 31st Dec 2019	**On demand**	**<=3 months**	**>3 months <=1 year**	**>1 year <=5 years**	**>5 years**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
	'000	**'000**	**'000**	**'000**	**'000**	**'000**
Borrowings	-	17,376	49,199	257,251	1,841,262	2,165,088
Total	-	**17,376**	**49,199**	**257,251**	**1,841,262**	**2,165,088**

As at 31st Dec 2018	**On demand**	**<=3 months**	**>3 months <=1 year**	**>1 year <=5 years**	**>5 years**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
	'000	**'000**	**'000**	**'000**	**'000**	**'000**
Borrowings	-	20,819	62,405	321,233	1,940,903	2,345,360
Total	-	**20,819**	**62,405**	**321,233**	**1,940,903**	**2,345,360**

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 net interest rate risk arises from its borrowings & loans and receivables.

Interest rate sensitivity analysis
The sensitivity of the income statement is the effect of assumed changes in interest rates on the net interest income for one year, based on the floating rate non-trading financial assets and financial lliabilities held at 31 December 2019. The Company has net floating rate non-trading financial liabilities of $954,391 (2018: assets of $51,904).

Impact on net interest income
The effect on interest of a 100 basis points change would be as follows:

	2019	2019
	$	$
	+100 basis points	-100 basis points
Change in net interest income	(9,544)	9,544
As a percentage of net interest income	-3.64%	3.64%
	2018	2018
	$	$
	+100 basis points	-100 basis points
Change in net interest income	519	(519)
As a percentage of net interest income	0.20%	-0.20%

Foreign currency risk

The Company records its UK corporation tax in sterling and it is exposed to foreign exchange fluctuations on this tax balance, refer to note 11 for further details. The Company has no other balances in foreign currencies and is not exposed to additional foreign currency risk. At 31 December 2019, the Company had a net British pound sterling liability of £292,429 (2018: £924,681). The following sensitivity table demonstrates the effect of 10% of rise or fall in foreign exchange rate for sterling exposure of the Company:

	2019	2019	2018	2018
	$	$	$	$
Effect on income	**Impact on profit after tax if GBP strengthens 10%**	**Impact on profit after tax if GBP weakens 10%**	**Impact on profit after tax if GBP strengthens 10%**	**Impact on profit after tax if GBP weakens 10%**
US Dollar	(38,579)	38,579	(118,150)	118,150
Total	**(38,579)**	**38,579**	**(118,150)**	**118,150**

Price risk

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

17. Related party transactions

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

The definition of related parties includes parent company, ultimate parent company, subsidiary, associated and joint venture companies, as well as the Company's key management which includes its Directors.

During the year there have been no other transactions with related parties other than transactions disclosed in the notes to the financial statements. The cash in hand is held with a related party, Barclays Bank PLC.

18. Capital management note

The Company's objectives when managing capital are:

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

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

The Company regards as capital its equity, reported on the balance sheet.

The total capital of the Company is as follows:

	2019	2018
	$	$
Share capital	230,000	230,000
Retained earnings	(604,914)	68,050
Total	(374,914)	298,050

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

19. Contingent liabilities and commitments

The following table summarises the nominal principal amount of contingent liabilities and commitments which are not recorded on balance sheet:

	2019	2018
	$	$
Guarantees	-	8,500,008
Total	-	8,500,008

Relative Value Trading Limited was released from all the obligations under its guarantee with Barclays Bank PLC as a result of termination on 23 April 2019. As a result, Relative Value Trading Limited no longer has assets pledged as collateral security with Barclays Bank PLC.

20. Parent undertaking and ultimate holding company

The immediate parent entity of Relative Value Trading Limited is Maloney Investments Limited. The parent undertaking of the smallest group that presents consolidated 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. Barclays Bank PLC's and Barclays PLC's statutory financial statements are available for public use from the Barclays Corporate Secretariat, 1 Churchill Place, London E14 5HP.

21. Events after the reporting date

The Company is monitoring the potential downside risk associated with both the direct and indirect impact of the COVID-19 outbreak and have concluded that its business strategy remains appropriate and adequate capital and liquidity is being maintained. The Company continues to operate in line with management's expectations.