

Registered number in England and Wales: 6817403

RELATIVE VALUE TRADING LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022



RELATIVE VALUE TRADING LIMITED

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RELATIVE VALUE TRADING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022.

Profits and dividends

During the year the Company made a profit after tax of \$737,416 (2021: \$1,100,386). The Directors do not recommend the payment of a final dividend (2021: \$nil).

Directors

The Directors of the Company, who served during the year and up to the date of the financial statements, are as shown below:

C Senior (resigned 26 June 2023)
D Blagbrough (resigned 04 Feb 2022)
J Walthoe
P Henriquez Avila (appointed 04 Feb 2022)
V Shah (resigned 26 June 2023)

Since the year end, C Senior and V Shah resigned as Directors of the Company on 26 Jun 2023 and D Blagbrough and B Jones were appointed as Directors of the Company on 26 Jun 2023.

Going concern

After reviewing the Company's financial position and performance projections, and available banking facilities the Directors are satisfied that the Company has adequate access to resources to enable it to meet its obligations as they fall due and to continue in operational existence for at least the next 12 months from the date of signing these financial statements. 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 UK-adopted international accounting standards 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 UK-adopted international accounting standards;
- 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.

RELATIVE VALUE TRADING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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 Barclays Group ('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 15.

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 2022 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.

Environment

The Barclays Group focuses on addressing environmental issues where it is felt that there is the greatest potential to make a difference. As the global effort to tackle climate change grows, the Group is moving rapidly to take a leading role in contributing to the transition to a low-carbon economy. In March 2020, the Group set out its ambition to be a net zero bank by 2050.

To successfully fulfil against our purpose, we must ensure that we address the needs of all our stakeholders. This includes our customers and clients, colleagues, investors and the societies in which we operate.

The longevity of our business can only be ensured if we help tackle the challenges of our time, such as social inequality and climate change, whilst minimising any unintended and adverse impacts of our operations and our business as a financial institution. To this end we seek to identify and understand the environmental, social and governance factors which impact our organisation and how we shape and impact the environment and society around us. We do this in the context of the financial services we provide, the geographies in which we operate and the needs of our customers and clients.

We will continue to identify new opportunities and strive to integrate our broader social and environmental impact into the way we run and govern our business and the work we do every day to help customers and clients, colleagues and society

While we have managed ESG issues for several years, our approach continues to evolve in response to a dynamic external environment, increasing investor and other stakeholder attention and continued innovation in our business and product offerings. We recognise that the focus on the societal impact of businesses and performance against wider ESG factors has increased in recent years, with growing interest from a range of stakeholders including investors, clients, policy makers and regulators.

Disclosure of global greenhouse gas emissions is done at a Barclays Group level with information available in the Barclays PLC Annual Report 2022 Annual Report, which does not form part of this report. with fuller disclosure available on our the Barclays website at <https://home.barclays/sustainability/addressing-climate-change/>.

RELATIVE VALUE TRADING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Independent auditors

Pursuant to section 487 of the Companies Act 2006, the auditor 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 is 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 is aware of that information.

In response to The Companies (Miscellaneous Reporting) Regulations 2018, further information on stakeholder engagement can be found in the Strategic Report.

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

DocuSigned by:
Ben Jones
EC2082856C2F427...

Name: Ben Jones

Director

Date: 27/9/2023

Registered number: 6817403

Churchill Place,
London, E14 5HP.

RELATIVE VALUE TRADING LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Business review and principal activities

The principal activity of Relative Value Trading Limited is to act as an investment company. The Company is currently evaluating opportunities for future investment.

Business performance

The results of the Company show a profit after tax of \$737,416 (2021: \$1,100,386) for the year. The Company has net assets of \$65,394,511 (2021: net assets of \$64,657,095) and net cash inflow from operating activities of \$1,048,418 (2021: net cash outflow of \$40,262).

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 and uncertainties

The Company is exposed to internal and external risks as part of its ongoing activities. These risks are managed as part of the Company's business model.

Risks are identified and overseen in accordance with the Barclays Enterprise Risk Management Framework ("ERMF"), which supports the business in its aim to embed effective risk management and a strong risk management culture.

The ERMF governs the way in which risk is identified and managed. The ERMF is approved by the Barclays PLC board on the recommendation of the Barclays Group Chief Risk Officer and adopted throughout the Group, with minor modifications where needed.

The management of risk is then embedded into each level of the business, with all colleagues being responsible for identifying and controlling risk.

Given increasing risks associated with climate change and to support Group ambitions to be net zero by 2050, climate risk became a principal risk at the start of 2022.

The ERMF defines nine principal risks as:

- Credit risk
- Market risk
- Treasury and capital risk
- Climate risk
- Operational risk
- Model risk
- Conduct risk
- Reputation risk
- Legal risk

Risk appetite defines the level of risk we are prepared to accept across the different risk types, taking into consideration varying levels of financial and operational stress.

During 2022, the Barclays Group, including the Company, ran a stress test to assess its capital adequacy and resilience under a severe but plausible macroeconomic scenario. The internal stress test was informed by the Bank of England 2022 regulatory stress test featuring high and persistent inflation, rising global interest rates, a severe UK recession brought by falling household real incomes, job losses leading to a high unemployment rate, energy and cost of goods shocks, increasing corporate defaults, and severe house and real estate price shocks.

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 2022 Annual Report, which does not form part of this report.

RELATIVE VALUE TRADING LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Section 172(1) statement

The Directors have acted in the way that they considered, in good faith, would be most likely to promote the success of Relative Value Trading Limited (the 'Company') for the benefit of its member as a whole and this section forms our Section 172 disclosure, describing how, in doing so, the Directors considered the matters set out in section 172(1)(a) to (f) of the Companies Act 2006. The Directors also took into account the views and interests of a wider set of stakeholders.

The Directors considered, amongst other matters, the following:

- 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, although in balancing those different perspectives it will not 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.

This report was approved by the Board and signed on its behalf by:

DocuSigned by:
Ben Jones
EC2082856C2F427...
Name Ben Jones
Director
Date: 27/9/2023
Registered number: 6817403

RELATIVE VALUE TRADING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RELATIVE VALUE TRADING LIMITED

Opinion

We have audited the financial statements of Relative Value Trading Ltd ("the Company") for the year ended 31 December 2022 which comprise of the Income statement, the Statement of Financial Position, the Statement of Changes in Equity, the 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 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; 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").

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.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

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 above conclusions are not a guarantee that the Company will continue in operation.

RELATIVE VALUE TRADING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RELATIVE VALUE TRADING LIMITED (CONTINUED)

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Barclays Group's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries.

We also performed procedures including identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual or seldom-used accounts and by individuals who typically do not create or post journal entries.

On this audit we do not believe there is a fraud risk related to revenue recognition because the revenue streams are non-complex, contractually driven with little to no subjectivity.

We did not identify any additional fraud risks.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other management (as required by auditing standards) and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, whilst the Company is subject to other laws and regulations, we did not identify any others where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

RELATIVE VALUE TRADING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RELATIVE VALUE TRADING LIMITED (CONTINUED)

Strategic Report and Directors' report

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

Our responsibility is to read the strategic report and 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 directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has 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;
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Responsibilities of directors

As explained more fully in their statement set out on pages 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 for the audit of the financial statements

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.

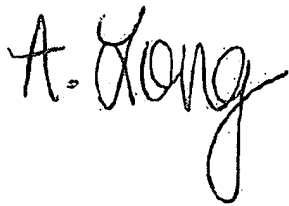
A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

RELATIVE VALUE TRADING LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RELATIVE VALUE TRADING LIMITED
(CONTINUED)**

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.

A handwritten signature in black ink, appearing to read 'A. Long', with a stylized, flowing script.

Amanda Long (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
15 Canada Square
London E14 5GL
United Kingdom
Date: 27/09/2023

RELATIVE VALUE TRADING LIMITED**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 \$	2021 \$
Interest income	5	67,361,915	37,754,605
Interest expense	5	(65,955,028)	(37,445,363)
Net interest income		<u>1,406,887</u>	<u>309,242</u>
Impairment (charge)/reversal	6	(504,015)	976,036
Profit/(Loss) from foreign exchange		451	(552)
Profit before tax		<u>903,323</u>	<u>1,284,726</u>
Tax	10	(165,907)	(184,340)
Profit for the year		<u><u>737,416</u></u>	<u><u>1,100,386</u></u>

The accompanying notes from pages 16 to 31 form an integral part of the financial statements.

RELATIVE VALUE TRADING LIMITED
REGISTERED NUMBER: 6817403

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 \$	2021 \$
Assets			
Non-current assets			
Loans and advances at amortised cost	11	1,759,905,549	1,760,409,563
Total non-current assets		<u>1,759,905,549</u>	<u>1,760,409,563</u>
Current assets			
Loans and advances at amortised cost	11	76,264,832	68,747,263
Cash and cash equivalents	12	14,057,967	13,009,549
Total current assets		<u>90,322,799</u>	<u>81,756,812</u>
Total assets		<u>1,850,228,348</u>	<u>1,842,166,375</u>
Liabilities			
Non-current liabilities			
Borrowings	13	(1,773,435,723)	(1,773,435,723)
Total non-current liabilities		<u>(1,773,435,723)</u>	<u>(1,773,435,723)</u>
Current liabilities			
Borrowings	13	(11,143,221)	(3,718,860)
Current tax liability	10	(254,893)	(354,697)
Total current liabilities		<u>(11,398,114)</u>	<u>(4,073,557)</u>
Total liabilities		<u>(1,784,833,837)</u>	<u>(1,777,509,280)</u>
Net assets		<u>65,394,511</u>	<u>64,657,095</u>
Issued capital and reserves			
Share capital	14	230,100	230,100
Share premium reserve		64,999,900	64,999,900
Retained earnings		164,511	(572,905)
TOTAL EQUITY		<u>65,394,511</u>	<u>64,657,095</u>

The accompanying notes from pages 16 to 31 form an integral part of the financial statements.

RELATIVE VALUE TRADING LIMITED
REGISTERED NUMBER: 6817403

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2022

The financial statements were approved by the Board of Directors and authorised for issue on
signed on its behalf by:

and were

DocuSigned by:

Ben Jones

EC2082856C2F427...
Ben Jones

Director

Date: 27/9/2023

Registered number: 6817403

RELATIVE VALUE TRADING LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Share capital \$	Share premium \$	Retained earnings \$	Total equity \$
At 1 January 2022	230,100	64,999,900	(572,905)	64,657,095
Profit for the year	-	-	737,416	-
Total comprehensive income for the year	-	-	737,416	737,416
Balance at 31 December 2022	230,100	64,999,900	164,511	65,394,511

	Share capital \$	Share premium \$	Retained earnings \$	Total equity \$
At 1 January 2021	230,000	-	(1,673,291)	(1,443,291)
Profit for the year	-	-	1,100,386	-
Total comprehensive Loss for the year	-	-	1,100,386	1,100,386
Issue of share capital	100	64,999,900	-	65,000,000
Total contributions by and distributions to owners	100	64,999,900	-	65,000,000
Balance at 31 December 2021	230,100	64,999,900	(572,905)	64,657,095

The accompanying notes from pages 16 to 31 form an integral part of the financial statements.

RELATIVE VALUE TRADING LIMITED**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022 \$	2021 \$
Cash flows from operating activities		
Profit before tax	903,323	1,284,726
Adjustments for		
Interest income	(67,361,915)	(37,754,605)
Interest expense	65,955,028	37,445,363
Impairment (reversal)/charge	504,015	(976,035)
Interest received	59,844,344	37,734,182
Interest paid	(58,530,667)	(37,433,012)
Group relief tax settlement	(265,710)	(340,881)
Net Cash Flows from Operating Activities	<u>1,048,418</u>	<u>(40,262)</u>
New Loans Advanced to Parent/Group Undertakings	-	(65,000,000)
Net Cash Flows from Investing Activities	<u>-</u>	<u>(65,000,000)</u>
Equity Issued to Parent Undertakings	-	65,000,000
Net Cash Flows from Financing Activities	<u>-</u>	<u>65,000,000</u>
Net cash increase/(decrease) in cash and cash equivalents	<u>1,048,418</u>	<u>(40,262)</u>
Cash and cash equivalents at the beginning of year	13,009,549	13,049,811
Cash and cash equivalents at the end of the year	<u><u>14,057,967</u></u>	<u><u>13,009,549</u></u>

The notes on 16 to 31 form part of the financial statements.

RELATIVE VALUE TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. Reporting entity

Relative Value Trading Limited (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.

These financial statements are prepared for the Company, the principal activity of which is to act as an investment company. These financial statements are prepared for the Company, in line with the UK Companies Act 2006.

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 UK-adopted international accounting standards.

2. Basis of preparation

The Company's financial statements have been prepared in accordance with UK-adopted international accounting standards. The principal accounting policies applied in the preparation of the financial statements are set out below, and in the relevant notes to the financial statements. These policies have been consistently applied.

Financial statements are prepared for the accounting period from 1 January 2022 to 31 December 2022.

2.1 Basis of measurement

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, as set out in the relevant accounting policies.

Going concern

After reviewing the Company's business activities, financial position, performance projections and available banking facilities, the Directors are satisfied that the Company has adequate access to resources to enable it to meet its obligations as they fall due and to continue in operational existence for at least the next 12 months from the date of signing these financial statements. For this reason, the Directors have adopted the going concern basis in preparing these financial statements.

2.2 New and amended standards

i) New standards, interpretations and amendments effective from 1 January 2022

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

ii) New standards, interpretations and amendments not yet effective

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

The following accounting standards have been issued by the IASB but are not yet effective:

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021 the IASB issued amendments to IAS 1 that require entities to disclose their material accounting policies rather than their significant accounting policies. The amendments to IFRS Practice Statement 2 provide guidance on the concept of materiality and its application to accounting policy information. Under the amendments, accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments are effective for annual periods beginning on or after 1 January 2023, and will be applied from that date.

RELATIVE VALUE TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Definition of Accounting Estimate - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8 that replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are clarified as monetary amounts in financial statements that are subject to measurement uncertainty. Where an entity's accounting policy requires an item to be measured at monetary amounts that cannot be observed directly, it should develop an accounting estimate to achieve this objective. The amendments are effective for annual periods beginning on or after 1 January 2023, and will be applied from that date.

3. Functional and presentation currency

These financial statements are presented in USD dollar (USD), the currency of the primary economic environment in which the Company operates. All amounts have been rounded to the nearest dollar, unless otherwise indicated.

4. Significant accounting policies

4.1 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 main economy to which it is exposed.

The Company applies IAS 21 The Effects of Changes in Foreign Exchange Rates. Transactions in foreign currencies are translated into US Dollar (USD) at the rate ruling on the date of the transaction. Foreign currency monetary balances are translated into US Dollar (USD) at the period end exchange rates. Exchange gains and losses on such balances are taken to the Statement of Profit or Loss. Non-monetary foreign currency balances in relation to items measured in terms of historical cost are carried at historical transaction date exchange rates. Nonmonetary foreign currency balances in relation to items measured at fair value are translated using the exchange rate at the date when the fair value was measured.

4.2 Interest

Interest income on loans and advances at amortised cost, and interest expense on financial liabilities held at amortised cost, are calculated using the effective interest method which allocates interest, and direct and incremental fees and costs, over the expected lives of the assets and liabilities.

The effective interest method requires the Company to estimate future cash flows, in some cases based on its experience of customers' behaviour, considering all contractual terms of the financial instrument, as well as the expected lives of the assets and liabilities.

The Company incurs certain costs in the origination. Such fees and costs where directly attributable and incremental to the origination of the instrument, are deferred on the balance sheet and subsequently included within the calculation of the effective interest rate. They are amortised to interest income over the period of expected life.

4.3 Fee and commission

The company recognises fee and commission income charged for services provided by the Barclays Group as the services are provided, for example, on completion of the underlying transaction. Where the contractual arrangements also result in [the entity] recognising financial instruments in scope of IFRS 9, such financial instruments are initially recognised at fair value in accordance with IFRS 9 before applying the provisions of IFRS 15.

4.4 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.

RELATIVE VALUE TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

4. Significant accounting policies (continued)

4.5 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 to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax liabilities are recognised for all taxable temporary differences except from the initial recognition of goodwill. Deferred tax is not recognised where the temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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.

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.

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 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 are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets and liabilities measured at amortised cost

Financial assets are 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 SPPI. Financial liabilities are held at amortised cost except for those held for trading or designated at fair value through profit and loss.

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-

RELATIVE VALUE TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

4. Significant accounting policies (continued)

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.

For financial assets and liabilities which are held at amortised cost 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 measured at fair value through other comprehensive income

Financial assets are 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 SPPI.

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.

Financial assets and liabilities at fair value through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income, as described above are measured at fair value through profit or loss (FVTPL).

A financial liability is classified as FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

Accounting for financial assets mandatorily at fair value through profit or loss

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 through profit or loss

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.

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.

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.

RELATIVE VALUE TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

4. Significant accounting policies (continued)

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.

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.

RELATIVE VALUE TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

4. Significant accounting policies (continued)

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.

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

RELATIVE VALUE TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

4. Significant accounting policies (continued)

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 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.

4.7 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. (note 13)

4.8 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.

RELATIVE VALUE TRADING LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****4. Significant accounting policies (continued)****4.9 Cash and cash equivalents**

Cash comprises cash on hand and balances at central banks. Cash equivalents comprise loans and advances to banks, cash collateral balances with central banks related to payment schemes and treasury and other eligible bills, all with original maturities of three months or less. Repurchase and reverse repurchase agreements are not considered to be part of cash equivalents. Investments in debt securities at amortised cost, presented within loans and advances on the balance sheet, are deemed to be investing activities for the purposes of the cash flow statement, except those instruments considered to be cash equivalents.

4.10 Critical accounting estimates

The preparation of financial statements in accordance with UK-adopted international accounting requires the use of estimates. It also requires management to exercise judgement in applying the accounting policies. There are no key areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the consolidated and individual financial statements.

5. Interest income and expense**Recognised in profit or loss**

	2022 \$	2021 \$
Interest income		
Interest income from group & parent undertakings	67,361,915	37,754,605
	<u>67,361,915</u>	<u>37,754,605</u>
Interest expense		
Interest expense to group undertakings	(65,955,028)	(37,445,363)
	<u>(65,955,028)</u>	<u>(37,445,363)</u>
Net interest income/(expense)	<u><u>1,406,887</u></u>	<u><u>309,242</u></u>

6. Impairment loss

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

	2022 \$	2021 \$
At 1 January	(90,437)	(1,066,472)
Amount reversed/(charged) against profit during the year	(504,015)	976,036
At 31 December	<u><u>(594,452)</u></u>	<u><u>(90,436)</u></u>

RELATIVE VALUE TRADING LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****7. Staff cost**

The Company has no direct employees during 2022 or 2021. All staff providing services to the Company are contracted from Barclays Bank PLC. These costs have not been recharged to the Company.

8. Profit before tax

The audit fee is borne by the Company's parent undertaking, 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 \$33,820 (2021: \$34,860) for the year. This fee is not recognised as an expense in the financial statements.

No benefits in kind have been provided to the auditors.

9. Employees and key management, including Directors

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, including the Directors of the Company listed on page 2.

The Directors are employed and remunerated by other companies within the Barclays Group and consider that their services to the company are incidental to their other responsibilities within the Barclays Group. The Directors' remuneration in respect of their qualifying services for the company is considered to be trivial.

During the period:

- 5 Directors are accruing retirement benefits under a defined benefit scheme or defined contribution scheme (2021: 4).
- No Directors exercised options under the Barclays PLC Sharesave Scheme and Long Term Incentive schemes during 2022 (2021: Nil).
- 2 Directors are entitled to benefits under the Share Value Plan (2021: 2).

10. Tax**Income tax recognised in profit or loss**

	2022 \$	2021 \$
Current tax		
Current tax on profits for the year	(229,121)	(185,615)
Adjustments in respect of prior years	63,214	1,275
Total current tax	<u>(165,907)</u>	<u>(184,340)</u>

RELATIVE VALUE TRADING LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****10. Tax (continued)****Income tax recognised in profit or loss (continued)**

The UK corporation tax rate of 19% has been used to calculate current tax balances for the year ended 31 December 2022.

Legislation has been introduced to increase the main rate of corporation tax from 19% to 25%, effective from 1 April 2023, which was substantively enacted on 24 May 2021. This will have a consequential impact on the Company's future tax charge.

A numerical reconciliation of the applicable tax rate and the average effective tax rate / (or tax expense and product of accounting profit multiplied by the applicable tax rate) is as follows:

	2022 \$	2021 \$
Profit for the year	737,416	1,100,386
UK corporation tax	(165,907)	(184,340)
Profit before income taxes	<u>903,323</u>	<u>1,284,726</u>
Tax using the Company's domestic tax rate of 19% (2021: 19%)	(171,631)	(244,098)
Thin capitalisation adjustment	-	(121,931)
Effect of foreign exchange	38,273	(5,034)
Non-deductible (expense)/non-taxable income	(95,763)	185,448
Adjustment for Prior Years	63,214	1,275
Total tax expense	<u><u>(165,907)</u></u>	<u><u>(184,340)</u></u>

RELATIVE VALUE TRADING LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****11. Loans and advances at amortised cost**

	2022	2021
	\$	\$
Current		
Loans and advances to group undertakings	33,662,258	26,242,812
Amounts due from parent undertakings	42,602,574	42,504,451
Loans and advances at amortised cost-Current	<u>76,264,832</u>	<u>68,747,263</u>
Non-current		
Loans and advances to group undertakings	1,759,905,549	1,760,409,563
Total	<u>1,759,905,549</u>	<u>1,760,409,563</u>

The loans and advances at amortized cost represent unsecured funding 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 2022, the senior and junior notes had accrued interest of \$11,107,955 (2021: \$3,740,455). The aforementioned notes do not have any breakage rights. The fair value of the senior and junior notes as of 31 December 2022 were \$499,672,934 (2021: \$503,250,888) and \$1,308,670,813 (2021: \$1,362,825,715), respectively. The Impairment for Non Current - Group as at December 2022 was \$594,451 (2021 : \$90,436).

There were two loans outstanding in the period: \$42,500,000 facing Barclays Bank PLC, carrying interest of 1-month USD Libor plus 7 basis points and accrued interest of \$102,574, and \$22,500,000 facing RVT CLO Investments LLP, carrying interest of 1-month USD Libor plus 7 basis points and accrued interest of \$54,304 (2021: \$2,356). There are breakage rights of 45 days for both loans.

12. Cash and cash equivalents

	2022	2021
	\$	\$
Cash with Barclays Bank PLC	1,266,730	386,039
Deposits with Barclays Bank PLC	12,791,237	12,623,510
Total	<u>14,057,967</u>	<u>13,009,549</u>

RELATIVE VALUE TRADING LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****13. Borrowings**

	2022	2021
	\$	\$
Current		
Amounts payable to group undertakings	(11,143,221)	(3,718,860)
Total	<u>(11,143,221)</u>	<u>(3,718,860)</u>
Non-current		
Amounts payable to group undertakings	(1,773,435,723)	(1,773,435,723)
Total	<u>(1,773,435,723)</u>	<u>(1,773,435,723)</u>

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 31 December 2022, the senior and junior notes had accrued interest of \$11,143,221 (2021: \$3,718,860). The fair value of the senior and junior notes as of 31 December 2022 were \$512,613,136 (2021: \$516,283,749) and \$1,361,199,099 (2021: \$1,361,844,185), respectively.

14. Share capital

Issued and fully paid

	2022	2022	2021	2021
	Number	\$	Number	\$
Ordinary shares of \$1.00 each				
At 1 January	230,100	230,100	230,000	230,000
Shares issued	-	-	100	100
At 31 December	<u>230,100</u>	<u>230,100</u>	<u>230,100</u>	<u>230,100</u>

RELATIVE VALUE TRADING LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****15. 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 the loan/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.

	2022	2021
	\$	\$
Loans and advances at amortised cost	1,836,170,381	1,829,156,826
Cash and cash equivalents	14,057,967	13,009,549
Total	1,850,228,348	1,842,166,375

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

	2022	2021
	\$	\$
Financial institutions	14,057,967	13,009,549
Financial intermediaries	1,836,170,381	1,829,156,826
Total	1,850,228,348	1,842,166,375

RELATIVE VALUE TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**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 2022	On demand	<=3 months	>3 months <=1 year	>1 year <=5 years	>5 years	Total
	\$	\$	\$	\$	\$	\$
	'000	'000	'000	'000	'000	'000
Borrowings	-	29,919	94,602	1,980,204	-	2,104,725
Total	-	29,919	94,602	1,980,204	-	2,104,725

As at 31st Dec 2021	On demand	<=3 months	>3 months <=1 year	>1 year <=5 years	>5 years	Total
	\$	\$	\$	\$	\$	\$
	'000	'000	'000	'000	'000	'000
Borrowings	-	9,700	32,664	1,970,971	-	2,013,335
Total	-	9,634	32,664	1,970,971	-	2,013,335

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 liabilities held at 31 December 2022. The Company has net floating rate non-trading financial assets of \$64,852,443 (2021: non-trading financial assets of \$64,687,728).

RELATIVE VALUE TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Impact on net interest income

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

	2022	2022
	\$	\$
	+100 basis points	-100 basis points
Change in net interest income	648,524	648,524
As a percentage of net interest income	46.10%	-46.10%
	2021	2021
	\$	\$
	+100 basis points	-100 basis points
Change in net interest income	646,877	646,877
As a percentage of net interest income	209.81%	-209.81%

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 2022, the Company had a net British pound sterling liability of £263,495 (2021: £263,240). At 31 December 2022, the foreign exchange rate used for conversion was 1.2036 (2021: 1.3474). The following sensitivity table demonstrates the effect of 10% of rise or fall in foreign exchange rate for sterling exposure of the Company:

	2022	2022	2021	2021
	\$	\$	\$	\$
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	(31,713)	31,713	(51,480)	51,480
Total	(31,713)	31,713	(51,480)	51,480

16. 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.

RELATIVE VALUE TRADING LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****17. 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:

	2022	2021
	\$	\$
Share capital	230,100	230,100
Share premium	64,999,900	64,999,900
Retained earnings	164,511	(572,905)
	<hr/>	<hr/>
Total	65,394,511	64,657,095
	<hr/>	<hr/>

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.

18. 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 United Kingdom 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. Group financial statements are available to the public and may be obtained from <https://home.barclays/investor-relations/reports-and-events/annual-reports/>.