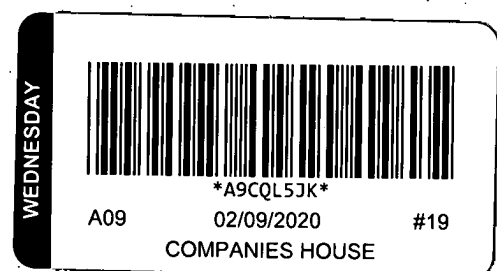


Registered number: 00181866

BARCLAYS CAPITAL FINANCE LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019



BARCLAYS CAPITAL FINANCE LIMITED

COMPANY INFORMATION

Directors	Chetan Bulsari (resigned 6 August 2019) David Spiteri James Bateman Ludwig Von Sembach (appointed 9 March 2020) Suresh Kumar Sindiri (appointed 20 August 2019)
Company secretary	Barcosec Limited
Registered number	00181866
Registered office	1 Churchill Place London E14 5HP

BARCLAYS CAPITAL FINANCE LIMITED

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BARCLAYS CAPITAL FINANCE LIMITED

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

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

Profit and dividends

During the year the Company made a profit after tax of £5,263 (2018: profit after tax £5,710). The Directors do not recommend the payment of a 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. However, considering the size and position of the Company, the Directors assessed the impact to be immaterial. The Company continues to operate in line with management's expectation. The Board is contemplating the sale of one of the Company's subsidiaries - Meridian (SPV – AMC) Corporation - in the near future.

Directors

The Directors who served during the year 2019 and up to the date of signing the financial statements are as shown below:

Chetan Bulsari (resigned 6 August 2019)
David Spiteri
James Bateman
Ludwig Von Sombach (appointed 9 March 2020)
Suresh Kumar Sindiri (appointed 20 August 2019)

Going concern

After reviewing Company's business position at the end of the year, the available banking facilities and considering that there is no significant change expected in Company's business (including the implications from the COVID-19 outbreak), 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.

BARCLAYS CAPITAL FINANCE LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Statement of Director's 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 of the Company for that period.

In preparing these financial statements, the Directors are required to:

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

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

Financial risk management

The Company's activities are exposed to a variety of financial risks. The Company is required to follow the requirements of the Group risk management policies, which include specific guidelines on the management of foreign exchange, interest rate and credit risks, and advice on the use of financial instruments to manage them. The main financial risks that the Company is exposed to are outlined in Note 14.

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 which may occur (or have occurred) in connection with their duties, powers or office.

Independent Auditor

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.

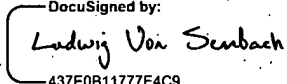
BARCLAYS CAPITAL FINANCE LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Statement of disclosure of information to Auditor

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

This report was approved by the Board on 20 August 2020 and signed on its behalf.

DocuSigned by:

437E0B11777E4C9...
Ludwig Von Sembach
Director
21 August 2020
Company number: 181866

BARCLAYS CAPITAL FINANCE LIMITED

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

Business Review and principal activities

The Company's primary activity is to act as an investment holding company. No significant change in activity occurred during the year under review. Although the Company does not currently have any significant investments, it has adequate resources to continue in operation for the foreseeable future, whilst it evaluates its future investment strategy. As a consequence, the Directors consider that it remains appropriate to prepare the Company's financial statements on a going concern basis.

Business performance

The results of the Company show profit after tax of £5,263 (2018: profit after tax £ 5,710). The Company has net assets of £1,763,839 (2018: £1,758,575).

Future outlook

The Company is expected to continue to act as an investment holding Company for the foreseeable future.

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 Barclays Capital Finance Limited (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;
- 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.

BARCLAYS CAPITAL FINANCE LIMITED

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

How does the Board engage with stakeholders?

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

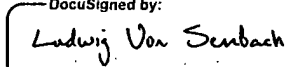
In addition, to ensure a more efficient and effective approach, certain stakeholder engagement is led at Barclays Group level, in particular where matters are of group-wide significance or have the potential to impact the reputation of the Barclays group.

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

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

The purpose of Barclays Capital Finance Limited is to act as an investment holding 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 20 August 2020 and signed on its behalf.

DocuSigned by:

Ludwig Von Sombach
Director
21 August 2020
Company number: 181866

BARCLAYS CAPITAL FINANCE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BARCLAYS CAPITAL FINANCE LIMITED

We have audited the financial statements of Barclays Capital Finance Limited ("the Company") for the year ended 31 December 2019 which comprises the Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, the Statement of Cash flows, the Statement of Changes in Equity, and related notes, including the summary of significant 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 profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Going concern

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

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

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

Strategic report and directors' report

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

Our responsibility is to read the Strategic report and the Directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

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

BARCLAYS CAPITAL FINANCE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BARCLAYS CAPITAL FINANCE LIMITED

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, the Directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

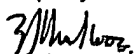
Auditor's responsibilities

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

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

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.



Zaffarali Khakoo (Senior statutory auditor)

for and on behalf of

KPMG LLP, Statutory Auditor
Chartered Accountants

15 Canada Square

London

E14 5GL

Date: 21 August 2020

BARCLAYS CAPITAL FINANCE LIMITED

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

	Note	2019 £000	2018 £000
Interest income	6	7	6
Other (losses) / gains	7	(1)	1
Profit before tax		<u>6</u>	<u>7</u>
Tax	9	(1)	(1)
Profit after tax		<u>5</u>	<u>6</u>
Total comprehensive income		<u><u>5</u></u>	<u><u>6</u></u>

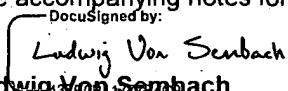
The accompanying notes form an integral part of the financial statements.

BARCLAYS CAPITAL FINANCE LIMITED
REGISTERED NUMBER: 00181866

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £000	2018 £000
Assets			
Non-current assets			
Investment in subsidiaries	10	-	-
Current assets			
Cash and cash equivalents	11	1,766	1,760
Total Current Assets		<u>1,766</u>	<u>1,760</u>
Total assets		<u>1,766</u>	<u>1,760</u>
Liabilities			
Current liabilities			
Current tax liability	12	2	1
Total current liabilities		<u>2</u>	<u>1</u>
Total liabilities		<u>2</u>	<u>1</u>
Net assets		<u>1,764</u>	<u>1,759</u>
Equity			
Share capital	13	7,168	7,168
Retained earnings		(5,404)	(5,409)
TOTAL EQUITY		<u>1,764</u>	<u>1,759</u>

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

DocuSigned by:

Ludwig Von Senbach
 Director
 21 August 2020
 Company number: 181866

BARCLAYS CAPITAL FINANCE LIMITED

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

	Share capital £000	Retained earnings £000	Total equity £000
At 1 January 2019	7,168	(5,409)	1,759
Comprehensive income for the year			
Profit for the year	-	5	5
	<u>-</u>	<u>5</u>	<u>5</u>
Total comprehensive income for the year			
	<u>-</u>	<u>5</u>	<u>5</u>
At 31 December 2019	<u>7,168</u>	<u>(5,404)</u>	<u>1,764</u>

	Share capital £000	Retained earnings £000	Total equity £000
At 1 January 2018	7,168	(5,415)	1,753
Comprehensive income for the year			
Profit for the year	-	6	6
	<u>-</u>	<u>6</u>	<u>6</u>
Total comprehensive income for the year			
	<u>-</u>	<u>6</u>	<u>6</u>
At 31 December 2018	<u>7,168</u>	<u>(5,409)</u>	<u>1,759</u>

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

BARCLAYS CAPITAL FINANCE LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 £000	2018 £000
Cash flows from operating activities		
Profit before tax	6	7
Foreign exchange losses / (gains)	1	(1)
Cash generated from operations	<u>7</u>	<u>6</u>
Effect of exchange rate changes	(1)	1
Net cash increase in cash and cash equivalents	<u>6</u>	<u>7</u>
Cash and cash equivalents at the beginning of year	1,760	1,753
Cash and cash equivalents at the end of the year	<u><u>1,766</u></u>	<u><u>1,760</u></u>

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

BARCLAYS CAPITAL FINANCE LIMITED

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

1. Reporting entity

These financial statements are prepared for Barclays Capital Finance Limited (the "Company"), the principal activity of the Company is to act as an investment holding Company. The financial statements are prepared for the Company only, in line with the UK Companies Act 2006. The Company is exempt by virtue of section 402 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its Group. The parent undertaking of the smallest group that presents consolidated financial statements is Barclays Bank PLC and the ultimate holding Company and the parent undertaking of the largest group that presents group financial statements is Barclays PLC, both of which prepare consolidated financial statements in accordance with International Financial Reporting Standards ('IFRS') and interpretations issued by the IFRS Interpretations Committee ('IFRS IC'), as published by the International Accounting Standards Board ('IASB') and accordingly consolidated financial statements have not been prepared based on the exemption provided under paragraph 4(a) of IFRS 10. The Company is a private limited Company, domiciled and incorporated in the United Kingdom. The address of the registered office of the Company is 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 (IFRICs) issued by the Interpretations Committee, 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 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

After reviewing company's business position at the end of the year and considering there is no significant change expected in entity's business (including the implications from the COVID-19 outbreak), the available banking facilities, the Directors are satisfied that the Company has adequate access to resources to enable it to meet its obligations and to continue in operational existence for the foreseeable future. For this reason, the Directors have adopted the going concern basis in preparing these financial statements.

The financial statements have been prepared on a going concern basis under the historical cost convention modified to include the fair valuation of certain financial instruments to the extent required or permitted under IFRS 9, 'Financial Instruments, recognition, and measurement' for hedges and IFRS 9 'Financial Instruments as set out in the relevant accounting policies. They are presented in thousands of pounds sterling, (£'000), the currency of the country in which the Company is incorporated

4. New and amended standards

The accounting policies adopted are consistent with those of the previous financial year. There are no new, amended or proposed standards that have had or are expected to have a material impact on the Company's accounting policies.

BARCLAYS CAPITAL FINANCE LIMITED

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

5. Summary of significant accounting policies

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied.

5.1 Foreign currency translation

Items included in the financial statements of the Company are measured using their functional currency, being Pounds Sterling (£) the currency of the primary economic environment in which the entity operates. Foreign currency transactions are translated into Pounds 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 Statement of Comprehensive Income 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.

5.2 Interest

Interest income or expense is recognised on all interest bearing financial assets classified as held to maturity, available for sale or loans and receivables and on interest bearing financial liabilities if any, 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 (or expense) receivable (or payable) on the instrument evenly in proportion to the amount outstanding over the period to maturity or repayment.

5.3 Current and deferred income taxes

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.

BARCLAYS CAPITAL FINANCE LIMITED

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

Summary of significant accounting policies (continued)**5.4 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/liability.

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 will be measured at amortised cost

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 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.

Financial assets will be measured at fair value through other comprehensive income

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.

BARCLAYS CAPITAL FINANCE LIMITED

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

Summary of significant accounting policies (continued)**Netting**

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position 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.

5.5 Share capital

Incremental costs directly attributable to the issue of new shares or options or the acquisition of a business are shown in equity as a deduction, net of tax, from the proceeds.

5.6 Cash and cash equivalents

For the purposes of the cash-flow statement, 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 three months or less.

5.7 Investments in subsidiaries

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

6. Interest Income

	2019 £000	2018 £000
Interest income	7	6
	<u>7</u>	<u>6</u>

7. Other (losses) / gains

	2019 £000	2018 £000
Foreign exchange (losses) / gains	(1)	1
	<u>(1)</u>	<u>1</u>

BARCLAYS CAPITAL FINANCE LIMITED

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

8. Other expenses

All Operating expenses of the Company, including Auditor's remuneration amounting to £8,400 (2018: £8,000), are borne by the parent, Barclays Bank PLC.

There were no employees employed by the Company during the year (2018: Nil).

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

9. Taxation (charge)/credit

The analysis of the tax (charge) / credit for the year is as follows:

	2019 £000	2018 £000
Tax (charge) / credit		
UK tax (charge) / credit - Current year	(1)	(1)
Total tax (charge) /credit	<u>(1)</u>	<u>(1)</u>

BARCLAYS CAPITAL FINANCE LIMITED

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

	2019 £000	2018 £000
A numerical reconciliation of the applicable tax rate and the average effective tax rate is as follows:-		
Profit before tax	6	7
Tax (charge) / credit at standard UK corporation tax rate of 19% (2018:19%)	(1)	(1)
Overall taxation (charge)	<u>(1)</u>	<u>(1)</u>
Effective rate %	19%	19%

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.

10. Investment in subsidiaries

Movements in and details of the Company's long term investments in subsidiaries are as follows:

	2019 £'000	2018 £'000
Investment in subsidiary	2,241	2,241
Provision for impairment	-	-
As at 1st January	(2,241)	(2,241)
Add: Movement	-	-
As at 31st December	<u>(2,241)</u>	<u>(2,241)</u>
Total	<u>-</u>	<u>-</u>

BARCLAYS CAPITAL FINANCE LIMITED

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

Particulars of the Company's principal subsidiaries on 31 December 2019 were as follows:

Company Name	Address	Country of registration or incorporation	Percentage of ordinary shares held	Nature of business
Meridian (SPV – AMC) Corporation	21st Floor, Philamlife Tower, Makati, 1200 Philippines	Philippines	99.99%	Sale and purchase of distressed assets in the Philippines
Lindley Developments Limited	1, Churchill Place, London, E14 5HP	United Kingdom	100%	Dissolved
Barclays Capital Argentina S.A	Avenida Del Libertador 498 Ciudad De Buenos Aires 1001 Argentina	Argentina	90.00%	Provision of advisory services to Barclays Capital Inc

Consolidated financial statements have not been prepared. Please refer to Note 1.

The investment in subsidiaries are stated in the balance sheet at a cost less impairment, if any. At the end of each reporting period an impairment review is undertaken in respect of investment in subsidiaries and impairment is required where the investment exceeds the recoverable amount.

For the year ended 31 December 2019, both Meridian (SPV – AMC) Corporation and Barclays Capital Argentina S.A are in a loss making position and Board is contemplating to sell Meridian (SPV – AMC) Corporation in the near future.

In the year ended 31 December 2011, an impairment assessment had been performed and the Company wrote down its investment in the ordinary shares of Meridian (SPV – AMC) Corporation by £274,409, which is in addition to the impairment of £1,024,806 provided in prior years, to nil to reflect the permanent diminution in the net assets of Meridian (SPV – AMC) Corporation.

In the year ended 31 December 2013, an impairment assessment had been performed and the Company wrote down its investment in the ordinary shares of Barclays Capital Argentina S.A. by £942,000 to nil to reflect the permanent diminution in the net assets of Barclays Capital Argentina S.A. As a result of the above, all the Investments in Subsidiaries are held at nil value on the Statement of Financial Position of the Company.

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11. Cash and cash equivalents

	2019 £000	2018 £000
Cash held with Barclays Bank PLC	1,766	1,760
Total	1,766	1,760

12. Current tax

Current tax liabilities were as follows:

	2019 £000	2018 £000
Current taxes		
Corporation tax	2	1
Current tax liabilities	2	1

13. Share Capital

The issued share capital of the Company as at 31 December 2019 was £7,168,398 (2018: £7,168,398), comprising of 7,168,398 (2018: 7,168,398) ordinary shares of £1 each. All issued shares are fully paid.

14. 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 and interest rate 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 Company uses derivative financial instruments to hedge certain risk exposures.

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

(a) 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 interest rate risk is managed by matching the interest rate of the assets and liabilities. Though we receive Interest Income on cash and cash equivalents, the Company's exposure to Interest rate risk is immaterial.

(b) Credit risk

Credit risk is the risk of suffering financial loss should any of the Company's customers or market

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counterparties fail to fulfil their contractual obligations to the Company or when a counterparty's credit rating is downgraded, leading to a fall in the value of investments held by the Company. The Company assesses all counterparties, including its customers, for credit risk before contracting with them. All financial assets other than loans and other receivables are due from the Parent Company (Barclays Bank PLC) or fellow subsidiaries within the Group. The credit rating of Barclays Bank PLC is investment grade. As such, all financial assets are of investment grade and are neither past due nor impaired.

Maximum exposure to credit risk

The following table shows the maximum exposure to credit risk:

	2019	2018
	£'000	£'000
Cash & Cash equivalents	<u>1,766</u>	<u>1,760</u>
Total maximum exposure at 31 December	<u>1,766</u>	<u>1,760</u>

The Company does not hold any collateral as security.

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Credit risk concentrations by geographical sector

All financial assets are concentrated in United Kingdom (UK)

	2019	2018
	UK	UK
	£'000	£'000
Cash and cash equivalents	1,766	1,760
Total maximum exposure at 31 December	1,766	1,760

Credit Risk concentration by industrial sector

All financial assets are concentrated in the financial services sector.

Financial assets subject to credit risk

No financial assets are past due nor impaired.

(c) Foreign exchange risk

The Company is exposed to foreign currency risk from future foreign currency transactions, and recognised assets and liabilities. There was no significant foreign currency exposure at either 31 December 2019 or 2018. Due to the low level of exposures, no change in foreign exchange rates would have a significant effect on either the profit or movements in the equity for the year ended 31 December 2019 or 2018.

(d) 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. There was no significant liquidity risk exposure at either 31 December 2019 or 2018. As such, the liquidity analysis is not disclosed.

15. Fair value measurements
Fair value of financial assets and liabilities

The fair value of an asset or liability is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. There are no material differences between the carrying amount and the fair value of the Company's financial assets and liabilities.

Valuation

IFRS 13 – Fair Value Measurement requires an entity to classify its financial assets and liabilities held at fair value according to a hierarchy that reflects the observability of significant market inputs. The three levels of the fair value hierarchy are defined below.

Quoted market prices – Level 1

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

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Valuation technique using observable inputs - Level 2

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

Valuation technique using significant unobservable inputs - Level 3

Financial instruments are classified as level 3 if their valuation incorporates significant inputs that are not based on observable market data (unobservable inputs). A valuation input is considered observable if it can be directly observed from transactions in an active market, or if there is compelling external evidence demonstrating an executable exit price.

Unobservable input levels are generally determined via reference to observable inputs, historical observations or using other analytical techniques. Loans and other receivables and borrowings, which are measured at amortized costs, are classified as Level 3 in the fair value hierarchy as their valuation incorporates significant inputs that are not based on observable market data (unobservable inputs).

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.

Particulars of transactions and the balances outstanding at the yearend are disclosed in the tables below.

	2019			2018		
	Parent Company Undertaking	Subsidiary undertaking	Total	Parent Company Undertaking	Subsidiary undertaking	Total
Year ended 31 December						
Transactions:						
Interest income	7	-	7	6	-	6
Total	7	-	7	6	-	6
Assets:						
Cash and cash equivalents	1,766	-	1,766	1,760	-	1,760
Total	1,766	-	1,766	1,760	-	1,760

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17. Capital Management

The Company's objectives when managing capital are:

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

The Board of Directors is responsible for capital management and has approved minimum control requirements for capital and liquidity risk management. The Company regards as capital its equity, as shown in the Statement of Financial Position.

18. Events after reporting date

The Company is monitoring the potential downside risk associated with both the direct and indirect impact of the COVID-19 outbreak. However, considering the size and position of the Company, the Directors assessed the impact to be immaterial. The Board is contemplating the sale of one of the Company's subsidiaries - Meridian (SPV - AMC) Corporation in the near future.

19. Parent Undertaking and Ultimate Holdings Company

The parent entity of the Company is Barclays Bank PLC. The parent undertaking of the smallest group that presents consolidated financial statements is Barclays Bank PLC. The ultimate holding Company and parent company of the largest group that presents group financial statements is Barclays PLC. Both Companies are incorporated in the United Kingdom and registered in England. Barclays Bank PLC's and Barclays PLC's statutory financial statements are available from Barclays Corporate Secretariat, 1 Churchill Place, London, E14 5HP.