

Registered number in England and Wales: 00181866

BARCLAYS CAPITAL FINANCE LIMITED

**FINANCIAL STATEMENTS & DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**



BARCLAYS CAPITAL FINANCE LIMITED

COMPANY INFORMATION

Directors	David Spiteri (resigned on Tuesday, March 23, 2021) James Bateman Ludwig Von Sembach Suresh Kumar Sindiri
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 2021**

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 2021.

Profit and dividends

During the year the Company made a profit after tax of £ Nil (2020: profit after tax £2,825). The Directors do not recommend the payment of a dividend (2020: Nil).

Post balance sheet events

There were no material events after the reporting date to the date of the financial statements which would require disclosure or adjustment to the financial statements for the year ended 31 December 2021.

Directors

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

J Bateman
L Von Sembach
D Spiteri (resigned on 23 March 2021)
S Sindiri

Going concern

The financial statements are prepared on non-going concern basis following the decision made by Directors to liquidate the Company in 2021. Refer to note 2 'Basis of preparation' on Page 13.

Statement of Director's responsibilities in respect of the Directors' report and the financial statements

The Directors are responsible for preparing 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 in conformity with the requirements of the Companies Act 2006 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 UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006;
- 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 (as explained in note 2, the Directors do not believe that it is appropriate to prepare these financial statements on a going concern basis).

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain

BARCLAYS CAPITAL FINANCE LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

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 13.

Director's 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 2021 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.

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 Barclays Group is moving rapidly to take a leading role in contributing to the transition to a low-carbon economy. In March 2020, Barclays 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 2021 with fuller disclosure available on our website at home.barclays.com/citizenship.

BARCLAYS CAPITAL FINANCE LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

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.

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.

Small companies provision

This report has been prepared in accordance with the special provisions applicable to small companies set out in section 415A of the Companies Act. The Company has also taken advantage of the small companies exemption from the requirement to prepare a strategic report.

FOR AND ON BEHALF OF THE BOARD

DocuSigned by:

Ludwig Von Sombach

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Ludwig Von Sombach

Director

Date: September 05, 2022

Company number :0181866

BARCLAYS CAPITAL FINANCE LIMITED

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

Opinion

We have audited the financial statements of Barclays Capital Finance Limited ("the Company") for the year ended 31 December 2021 which comprises the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and related notes, including the summary of significant 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 on 31 December 2021 and of its results for the period ended then;
- have been properly prepared in accordance with UK-adopted international accounting standards and in conformity with the requirements of Companies Act 2006; 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.

Emphasis of matter - non-going concern basis of preparation:

We draw attention to the disclosure made in note 2 to the financial statements, which explains that the financial statements have not been prepared on the going concern basis for the reason set out in that note. Our opinion is not modified in respect of this matter.

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 and inspection of policy documentation as to the Company'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 Company's management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there are no revenue transactions.

We did not identify any additional fraud risks.

BARCLAYS CAPITAL FINANCE LIMITED

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

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 from inspection of the Company's legal correspondence and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

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.

This Company is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

Director's report:

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

Our responsibility is to read 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 directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

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

Directors' responsibilities

As explained more fully in their statement set out on page 3 to 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

BARCLAYS CAPITAL FINANCE LIMITED

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

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: September 06, 2022

BARCLAYS CAPITAL FINANCE LIMITED

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £000	2020 £000
Interest income	5	-	4
Other (losses)	6	-	(1)
Profit before tax		<u>-</u>	<u>3</u>
Tax	8	-	(1)
Profit after tax		<u>-</u>	<u>2</u>
Total comprehensive income		<u><u>-</u></u>	<u><u>2</u></u>

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

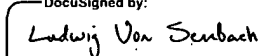
BARCLAYS CAPITAL FINANCE LIMITED
REGISTERED NUMBER: 00181866

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £000	2020 £000
Assets			
Non-current assets			
Investments in Subsidiaries	9	-	-
Current assets			
Cash and cash equivalents	10	1,769	1,769
Total assets		<u>1,769</u>	<u>1,769</u>
Liabilities			
Current liabilities			
Current tax liability	11	3	3
Total current liabilities		<u>3</u>	<u>3</u>
Total liabilities		<u>3</u>	<u>3</u>
Net assets		<u>1,766</u>	<u>1,766</u>
Equity			
Share capital	12	7,168	7,168
Retained earnings		(5,402)	(5,402)
TOTAL EQUITY		<u>1,766</u>	<u>1,766</u>

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

The financial statements were approved by the Board of Directors and authorised for issue on 5 September 2022 and were signed on its behalf by:

DocuSigned by:

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Ludwig Von Sembach
 Director
 Registered number: 0181866

BARCLAYS CAPITAL FINANCE LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Share capital £000	Retained earnings £000	Total equity £000
At 1 January 2021	7,168	(5,402)	1,766
Comprehensive income for the year			
Profit for the year	-	-	-
Total comprehensive income for the year	-	-	-
At 31 December 2021	7,168	(5,402)	1,766

	Share capital £000	Retained earnings £000	Total equity £000
At 1 January 2020	7,168	(5,404)	1,764
Comprehensive income for the year			
Profit for the year	-	2	2
Total comprehensive income for the year	-	2	2
At 31 December 2020	7,168	(5,402)	1,766

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 2021**

	2021 £000	2020 £000
Cash flows from operating activities		
Profit before tax	-	3
Adjustments for		
Foreign exchange losses	-	1
	<hr/>	<hr/>
Cash generated from operations	-	4
Effects of exchange rate changes	-	(1)
	<hr/>	<hr/>
Net increase in cash and cash equivalents	-	3
Cash and cash equivalents at the beginning of year	1,769	1,766
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	1,769	1,769
	<hr/>	<hr/>

The notes on pages 13 to 23 form part of these financial statements.

BARCLAYS CAPITAL FINANCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. Reporting entity

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. These financial statements are prepared for Barclays Capital Finance Limited, 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 a) UK-adopted international accounting standards; and (b) International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), including interpretations issued by the IFRS Interpretations Committee in conformity with the requirements of the Companies Act 2006 and accordingly consolidated financial statements have not been prepared based on the exemption provided under paragraph 4(a) of IFRS 10.

2. Basis of preparation

The Company financial statements have been prepared in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006. 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.

2.1 Basis of Measurement

During the financial year, the Board sold one of the Company's subsidiaries - Meridian (SPV - AMC) Corporation and also transferred Investment in another subsidiary Compania Regional del Sur SA (Barclays Capital Argentina S.A) to BBPLC. Given the Company had disposed of the Investment in subsidiaries and also does not carry on any business operations, the Directors have decided to place the Company for liquidation. Accordingly the financial statements are not prepared on a going concern basis.

The financial statements have been prepared under the historical cost convention modified to include the fair valuation of certain financial instruments to the extent required or permitted under 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 pounds sterling, (£), the currency of the country in which the Company is incorporated.

2.2 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.

3. Functional and presentation currency

These financial statements are presented in thousands of pounds sterling, [£000], the currency of the country in which the Company is incorporated.

BARCLAYS CAPITAL FINANCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

4. 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.

4.1. Foreign currency translation

Items included in the financial statements of the Company are measured using their functional currency, being Pounds Sterling (GBP) the currency of the 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 Sterling at the rate ruling on the date of the transaction. Foreign currency monetary balances are translated into Sterling at the period end exchange rates. Exchange gains and losses on such balances are taken to the income statement. Non-monetary foreign currency balances in relation to items measured in terms of historical cost are carried at historical transaction date exchange rates. Non-monetary 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.

4.3 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.

4.4 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.

BARCLAYS CAPITAL FINANCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Summary of significant accounting policies (continued)

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 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 will be 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.

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 shortterm 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.

BARCLAYS CAPITAL FINANCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Summary of significant accounting policies (continued)

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.

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.

4.5 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.

BARCLAYS CAPITAL FINANCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Summary of significant accounting policies (continued)**4.6 Cash and cash equivalents for the purposes of the cash flow statements**

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.

4.7 Investments in subsidiaries

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

5. Interest Income

	2021 £000	2020 £000
Interest income	-	4
	-	4

6. Other (losses) / gains

	2021 £000	2020 £000
Foreign exchange (losses)	-	(1)
	-	(1)

7. Other expenses

All Operating expenses of the Company, including Auditor's remuneration amounting to £8,650 (2020: £8,400), are borne by the parent, Barclays Bank PLC.

There were no employees employed by the Company during the year (2020: Nil).

The Directors did not receive any emoluments in respect of their services to the Company during the year (2020: Nil).

Two Directors are accruing retirement benefits under a defined benefit scheme or defined contribution scheme.

No Directors exercised options under the Barclays PLC Sharesave Scheme and Long Term Incentive schemes during 2021.

One Director is entitled to benefits under the Share Value Plan.

BARCLAYS CAPITAL FINANCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

8. Taxation (charge)/credit

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

Effective rate %	19%	19%
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On 22 July 2020 the Finance Act 2020 received Royal Assent, resulting in the UK corporation tax rate remaining at 19% from 1 April 2020 onwards instead of reducing to 17%, the previously enacted rate. This 19% rate has therefore been used to calculate current tax balances for the year ended 31 December 2021.

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 would have a consequential impact on the Company's future tax charge, but being Company is non-going concern it will not affect Company's future tax.

9. Investment in subsidiaries

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

	2021	2020
	£'000	£'000
Investment in subsidiary	-	2,241
Provision for impairment		
As at 1st January	(2,241)	(2,241)
Add: Reversal of provision upon sale	2,241	-
As at 31st December	<u>-</u>	<u>(2,241)</u>
Total	<u>-</u>	<u>-</u>

Particulars of the Company's principal subsidiaries on 31 December 2020 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
Compania Regional del Sur SA (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

BARCLAYS CAPITAL FINANCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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 2021, the Company has disposed of Meridian (SPV - AMC) Corporation for a nominal value of USD 100 during January 2021 to Pinnacle Real Estate Consulting Services Inc and transferred the Investment in Compania Regional del Sur SA (Barclays Capital Argentina S.A) during December 2021 to BBPLC for nominal value of GBP 1. Both the Investment in subsidiaries were fully provided for impairment in the prior years and hence there were no losses reported during 2021 on disposal of Investment in subsidiaries.

10. Cash and cash equivalents

	2021 £000	2020 £000
Cash held with Barclays Bank PLC	1,769	1,769
Total	1,769	1,769

11. Current tax

Current tax liabilities were as follows:

	2021 £000	2020 £000
Current taxes		
Corporation tax	3	3
Current tax liabilities	3	3

12. Share Capital

The issued share capital of the Company as at 31 December 2021 was £7,168,398 (2020: £7,168,398), comprising of 7,168,398 (2020: 7,168,398) ordinary shares of £1 each. All issued shares are fully paid.

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13. Financial risk

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 the Company receives 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 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:

	2021	2020
	£'000	£'000
Cash & Cash equivalents	1,769	1,769
Total maximum exposure at 31 December	1,769	1,769

The Company does not hold any collateral as security.

Credit risk concentrations by geographical sector

All financial assets are concentrated in United Kingdom (UK)

	2021	2020
	UK	UK
	£'000	£'000
Cash and cash equivalents	1,769	1,769
Total maximum exposure at 31 December	1,769	1,769

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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 2021 or 2020. 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 2021 or 2020.

(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 2021 or 2020. As such, the liquidity analysis is not disclosed.

14. 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.

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

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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).

15. 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 year end are disclosed in the tables below.

	2021			2020		
	Parent Company Undertaking	Subsidiary undertaking	Total	Parent Company Undertaking	Subsidiary undertaking	Total
Year ended 31 December	£'000	£'000	£'000	£'000	£'000	£'000
Transactions:						
Interest income	-	-	-	4	-	4
Total	-	-	-	4	-	4
Assets:						
Cash and cash equivalents	1,769	-	1,769	1,769	-	1,769
Total	1,769	-	1,769	1,769	-	1,769

16. 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.

17. Events after reporting date

There were no material events after the reporting date to the date of the financial statements which would require disclosure or adjustment to the financial statements for the year ended 31 December 2021.

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18. 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.