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SUSTAINABLE IMPACT CAPITAL LIMITED (PREVIOUSLY INVESTORS IN INFRASTRUCTURE LIMITED)

DIRECTORS' REPORT & FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

SUSTAINABLE IMPACT CAPITAL LIMITED

CONTENTS

SUSTAINABLE IMPACT CAPITAL LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

The Directors present their annual report together with the audited financial statements of Sustainable Impact Capital Limited (previously Investors in Infrastructure Limited) (the 'Company') for the year ended 31 December 2019.

Profits and dividends

During the year the Company made a profit after tax of £181,000 (2018: £255,000). 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 and have concluded that it's business strategy remains appropriate and adequate capital and liquidity is being maintained. The Company continues to operate in line with management's expectations.

On the 11 March 2020 it was announced (and substantively enacted on 17 March 2020) that the UK corporation tax rate would remain at 19% and not reduce to 17% (the previously enacted rate) from 1 April 2020.

On the 11 March 2020 the Company issued and allotted 35,000,000 ordinary shares of £1 each at par.

The Company acquired three new investments namely Save Money Cut Carbon (SMCC), Motability and 80 Acres during the year.

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:

F Banks	(appointed 05 November 2019)
G Chapman	(appointed 20 June 2019)
J Ferrier	
R Hayward	(resigned 20 June 2019)
J Mistry	
S Tait	(resigned 04 November 2019)

Going concern

After reviewing the Company's performance projections, (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.

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

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) and interpretations (IFRICs) issued by the International Accounting Standards Board (IASB) as adopted by the European Union (IFRSs as adopted by the EU) and applicable law.

Statement of Directors' responsibilities in respect of the Strategic report, the Directors' report and the financial statements (continued)

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

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

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

Financial risk management

The Company's activities are exposed to a variety of financial risks. The Company is required to follow the requirements of the Group risk management policies, which include specific guidelines on the management of foreign exchange, interest rate and credit risks, and advice on the use of financial instruments to manage them. The main financial risks that the Company is exposed to are outlined in note 16.

Directors third party indemnity provisions

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

Independent auditors

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

Statement of disclosure of information to auditors

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

SUSTAINABLE IMPACT CAPITAL LIMITED

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

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

DocuSigned by:
James Ferrier
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J Ferrier
Director
Date: 29 September 2020
Registered number: 02052321
1 Churchill Place, London, E14 5HP

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

Business review and principal activities

The principal activity of Sustainable Impact Capital Limited (previously Investors In Infrastructure Limited) (the 'Company') is to act as a limited partner investor in funds established in Private Public Partnerships (PPP), Private Finance Initiative (PFI) projects exhibiting similar characteristics in the UK and in Europe. During the prior year, the Company disposed of its last investment in the BEIF II fund. It was subsequently decided by the Directors to re-purpose this entity for other investment activities.

Business performance

The results of the Company show a profit after tax of £181,000 (2018: £255,000) for the year. The Company has net assets of £6,861,000 (2018: £6,680,000). Net cash inflow from operating activities for the year was £258,000 (2018: outflow £713,000).

Future outlook

The Directors have reviewed the Company's business and performance and consider it to be satisfactory given the Company's performance projections. The Directors consider that the Company's position at the end of the year is consistent with the normal course of business for a business of this nature.

Principal risks & uncertainties

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

Whilst the direct and indirect inputs of the Coronavirus (COVID-19) outbreak remains uncertain, a number of central banks and governments have announced financial stimulus packages in anticipation of a very significant negative impact on GDP during 2020. Concerns remain as to whether these policy tools will counter anticipated macro-economic risks and a prolongation of the outbreak could significantly adversely affect economic growth, affect specific industries or countries. In addition, an escalation in geopolitical tensions or increased use of protectionist measures may also negatively impact the Company's business. Where these macro-economic risks result in market volatility, there is a risk of a reduction in future revenue where the current portfolio's valuation is led by developments in interest rates and the real estate markets.

Key performance indicators

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

Section 172(1) statement

The Directors have acted in a way that they considered, in good faith, to be most likely to promote the success of Sustainable Impact Capital 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. You can find out more about who are key stakeholders are, how management engaged with them, the key issues raised and actions taken on pages 14 to 15 of the Barclays PLC annual report 2019 which is incorporated by reference into this statement.

Considering this broad range of interests is an important part of the way the Board makes decisions; however, in balancing those different perspectives it won't always be possible to deliver everyone's desired outcome.

How does the board engage with stakeholders?

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

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

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

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

The following is an example of how the Directors have had regard to the matters set out in sections 172 when discharging their section 172 duties and the effect of that on certain of the decisions taken by them.

Engagement in action

On 2 October 2019, the Directors have decided to approve the reduction of the Company's existing share capital in accordance with the solvency statement procedure for private limited companies set out in sections 641 to 644 inclusive of the CA 2006.

On 14 October 2019, the Directors have decided to pass a Special Resolution, pursuant to section 299 if the CA 2006, to change the name of the Company to Sustainable Impact Capital Limited.

The impact on a range of stakeholders including customers, clients, colleagues and suppliers was considered prior to approval.

SUSTAINABLE IMPACT CAPITAL LIMITED

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

This report was approved by the board on 29 September 2020 and signed on its behalf.

DocuSigned by:
James Ferrier
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J Ferrier
Director
Date: 29 September 2020
Registered number:02052321
1 Churchill Place, London, E14 5HP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUSTAINABLE IMPACT CAPITAL LIMITED

Opinion

We have audited the financial statements of Sustainable Impact Capital Limited ("the Company") for the year ended 31 December 2019 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes, including a 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUSTAINABLE IMPACT CAPITAL LIMITED

Strategic report and Directors' report

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

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

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 pages 2 to 3, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUSTAINABLE IMPACT CAPITAL LIMITED

Mgreen

Matthew Green (Senior Statutory Auditor)

for and on behalf of
KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square
London
E14 5GL

29 September 2020

SUSTAINABLE IMPACT CAPITAL LIMITED

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 £000	2018 £000
Gain/(loss) on financial assets designated at fair value through income statement	7	64	(37)
Loss on disposal of associates		-	(8)
Operating profit/(loss)		64	(45)
Finance income	6	33	40
Finance expense	6	(1)	-
Other income	8	112	-
Profit/(loss) before tax		208	(5)
Tax (expense)/credit	11	(27)	260
Profit for the year		181	255

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

SUSTAINABLE IMPACT CAPITAL LIMITED

**STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 £000	2018 £000
Profit for the year	181	255
Total comprehensive income	181	255

The accompanying notes form an integral part of the financial statements

SUSTAINABLE IMPACT CAPITAL LIMITED
REGISTERED NUMBER: 02052321

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £000	2018 £000
Assets			
Non-current assets			
Financial assets designated at fair value through income statement	12	2,290	-
Total non-current assets		2,290	-
Current assets			
Current tax assets	11,13	-	260
Trade and other receivables	13	-	6,522
Cash and cash equivalents		4,596	10
Total current assets		4,596	6,792
Total assets		6,886	6,792
Liabilities			
Current liabilities			
Trade and other payables	14	-	112
Current tax liability	11,14	25	-
Total current liabilities		25	112
Net assets		6,861	6,680
Issued capital and reserves			
Share capital	15	6,809	20,600
Retained earnings / (accumulated loss)		52	(13,920)
TOTAL EQUITY		6,861	6,680

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

The financial statements were approved and authorised for issue by the board of Directors on 29 September 2020 and were signed on its behalf by:

DocuSigned by:
James Ferrier
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J Ferrier
Director
Date: 29 September 2020
Registered number:02052321

SUSTAINABLE IMPACT CAPITAL LIMITED

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

	Share capital	(Accumulated loss) / retained earnings	Total equity
	£000	£000	£000
At 1 January 2019	20,600	(13,920)	6,680
Profit for the year	-	181	181
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	181	181
Share capital reduction	(13,791)	13,791	-
At 31 December 2019	6,809	52	6,861

	Share capital	Available-for-sale reserve	Accumulated loss	Total equity
	£000	£000	£000	£000
At 1 January 2018	20,600	1,448	(15,623)	6,425
Profit for the year	-	-	255	255
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	255	255
IFRS 9 transition	-	(1,448)	1,448	-
At 31 December 2018	20,600	-	(13,920)	6,680

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

SUSTAINABLE IMPACT CAPITAL LIMITED

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 £000	2018 £000
Cash flows from operating activities		
Profit for the year	181	255
Adjustments for		
Finance income	(33)	(40)
Finance expense	1	-
Other income	(112)	-
Fair value on assets designated at fair value through income statement	(64)	37
Share of loss on associates	-	8
Income tax charge/(credit)	27	(260)
Cash generated from operations	-	-
Income taxes paid/(received)	258	(713)
Net cash from/(used in) operating activities	258	(713)
Cash flows from investing activities		
Purchase of investments	(2,226)	-
Disposal of investments	-	1,552
Interest received	17	19
Net cash (used in)/from investing activities	(2,209)	1,571
Deposits to group undertakings	(4,350)	(6,500)
Proceeds on deposits upon maturity	10,887	-
Net cash from/(used in) financing activities	6,537	(6,500)
Net cash increase/(decrease) in cash and cash equivalents	4,586	(5,642)
Cash and cash equivalents at the beginning of year	10	5,652
Cash and cash equivalents at the end of the year	4,596	10

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

1. Reporting entity

These financial statements are prepared for Sustainable Impact Capital Limited (previously Investors In Infrastructure Limited) (the 'Company'), the principal activity of which is to invest in private equity funds established to invest in public and private infrastructure projects.

The financial statements are separate financial statements prepared for the Company only, in line with the UK Companies Act 2006. The parent undertaking of the smallest group that presents consolidated financial statements is Barclays Bank PLC and the ultimate holding company and the parent undertaking of the largest group that presents group financial statements is Barclays PLC, both of which prepare consolidated financial statements in accordance with International Financial Reporting Standards ('IFRS') and interpretations issued by the IFRS Interpretations Committee ('IFRIC'), as published by the International Accounting Standards Board ('IASB').

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

2. Compliance with International Financial Reporting Standards

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

3. Basis of preparation

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

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

4. New and amended standards

IFRS 16

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

Future accounting developments

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

5. Summary of significant accounting policies

5.1 Foreign currency translation

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

Foreign currency transactions are translated into Pounds Sterling using exchange rates prevailing at the dates of the transactions. Monetary items denominated in foreign currencies are retranslated at the rate prevailing at the year end. Foreign exchange gains and losses resulting from the retranslation and settlement of these items are recognised in the statement of profit or loss and other comprehensive income.

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

5.2 Revenue recognition

The Company applies IFRS 15 Revenue from Contracts with Customers. The standard establishes a fivestep model governing revenue recognition. The five-step model requires Barclays Group to (i) identify the contract with the customer, (ii) identify each of the performance obligations included in the contract, (iii) determine the amount of consideration in the contract, (iv) allocate the consideration to each of the identified performance obligations and (v) recognise revenue as each performance obligation is satisfied.

5.3 Interest

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

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

5.4 Current and deferred tax

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

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

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

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

5.5 *Financial assets and liabilities*

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

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

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

The Company assesses the business model criteria at a portfolio level. Information that is considered in determining the applicable business model includes (i) policies and objectives for the relevant portfolio, (ii) how the performance and risks of the portfolio are managed, evaluated and reported to management, and (iii) the frequency, volume and timing of sales in prior periods, sales expectation for future periods, and the reasons for such sales.

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

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

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

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

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

5.5. Financial assets and liabilities (continued)

Accounting for financial assets designated at fair value

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

Subsequent changes in fair value are recognised in the income statement in net investment income.

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 bid value in an active market wherever possible. Where no such active market exists for the particular asset, the Company uses a valuation technique to arrive at the fair value, including the use of prices obtained in recent arms' length transactions, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants.

Impairment of financial assets

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

As at 31 December 2019, the expected credit losses (ECLs) for the Company are immaterial.

5.6 Borrowings

Borrowings refer to debt securities issued by the Company. They are recognised as a liability when a contractual agreement results in the Company having a present obligation to deliver cash or another financial asset to the holder. The liability is recognised at initial cost and amortised to the redemption value using the effective rate of interest over the life of the instrument.

Borrowing costs are charged as an expense to the profit and loss account in the period in which they are incurred.

5.7 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.

5.8 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 less than three months. Trading balances are not considered to be part of cash equivalents.

5.9 Investment in associates and joint ventures

An associate is an entity in which the Company has significant influence, but not control over, the operating and financial management policy decisions. This is generally demonstrated by the Company holding in excess of 20% but no more than 50% of the voting rights.

A joint venture exists where the Company has a contractual arrangement with one or more parties to undertake activities typically, though not necessarily, through entities which are subject to joint control.

5.9 Investment in associates and joint ventures (continued)

Investments in associates and joint ventures are stated at cost less impairment, if any.

Investment in associates are not accounted for using the equity method since the Company is a wholly-owned subsidiary with no publicly traded financial instruments in issue, it is not filing financial statements with a regulatory body in connection with a public issue, and the ultimate parent produces consolidated financial statements available for public use that comply with International Financial Reporting Standards.

5.10 Critical accounting estimates

The preparation of financial statements in accordance with IFRS requires the use of estimates. It also requires management to exercise judgement in applying the accounting policies. The key areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the consolidated and individual financial statements are highlighted under the relevant note. Refer to note 17 Fair values of financial assets and liabilities.

6. Finance income and expense

Recognised in profit or loss

	2019 £000	2018 £000
Finance income		
Bank interest receivable	18	40
Interest receivable from group companies	15	-
Total finance income	33	40
Finance expense		
Interest payable to group companies	1	-
Total finance expense	1	-
Net finance income recognised in profit or loss	32	40

7. Gain/(loss) on disposal of assets designated at fair value through income statement

	2019 £000	2018 £000
Fair value gain/(loss) on financial assets designated at fair value	64	(37)
Total	64	(37)

8. Other income

	2019	2018
	£000	£000
Income from investments in Group companies	112	-
Total	112	-

Other income relates to old legal fees that have not been reclaimed and therefore have been written off.

9. Profit before tax

The audit fee is borne by another Group company. Although the audit fee is borne by another Group company, the fee that would have been charged to the Company amounts to £16,800 (2018: £16,000) for the year. This fee is not recognised as an expense in the financial statements.

10. Employee and key management, including Directors

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

No Director exercised options under the Barclays PLC Sharesave Scheme and Long Term Incentive schemes during 2019 (2018: nil).

The Company has made no loans, guarantees or other such dealings to its Directors and others during the current and prior year.

The Company had no employees during 2019 (2018: nil).

11. Tax expense

11.1 Income tax recognised in profit or loss

	2019	2018
	£000	£000
Current tax		
Current tax on profits for the year	27	5
Adjustments in respect of prior years	-	(265)
Total current tax	27	(260)
Tax tax charge / (credit)	27	(260)

SUSTAINABLE IMPACT CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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11. Tax expense (continued)

11.1 Income tax recognised in profit or loss (continued)

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

	2019 £000	2018 £000
Profit for the year	181	255
Income tax expense	27	(260)
Profit/(loss) before income taxes	208	(5)
Tax using the Company's domestic tax rate of 19% (2018:19%)	39	(1)
Expenses not deductible	-	2
Adjustments to tax charge in respect of prior periods	-	(265)
Taxable allocations from underlying partnership	-	(3)
Loss on disposal of available for sale investment	(12)	7
Total tax charge / (credit)	27	(260)

Changes in tax rates and factors affecting the future tax charges

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 balanced sheet date, this has not been used to calculate current or deferred tax disclosures for year ended 31 December 2019.

11.2 Current tax assets and liabilities

	2019 £000	2018 £000
Current tax assets		
UK corporation tax receivable	-	260
Total current tax assets	-	260
Current tax liabilities		
UK corporation tax payable	25	-
Total current tax liabilities	25	-

12. Financial assets designated at fair value through income statement

	2019	2018
	£	£
At 1 January	-	1,590
Additions	2,226	-
Disposals (through sale and redemption)	-	(1,590)
Fair value uplift	64	-
As at 31 December	2,290	-
Non-current:		
Equity securities	2,290	-
As at 31 December	2,290	-

The above assets have been designated at fair value using the fair value option.

The acquisition made during the year relates to Barclays Multi-Impact Growth Fund.

An analysis of the fair values of these securities and the valuation methodology applied are described in note 17.

Information relating to financial risks is included in note 16.

13. Trade and other receivables

An analysis of trade and other receivables is as follows:

	2019 £000	2018 £000
Loans to related parties	-	6,522
Current tax asset	-	260
Total trade and other receivables	-	6,782
Less: current portion - current tax asset	-	(260)
Less: current portion - loan to related parties	-	(6,522)
Total current portion	-	(6,782)
Total non-current portion	-	-

The Directors consider that the carrying value of trade and other receivables are approximate to their fair value.

14. Trade and other payables

An analysis of trade and other payables is as follows:

	2019 £000	2018 £000
Other payables	-	112
Other payables - UK corporation tax	25	-
Total trade and other payables	25	112
Total current portion	(25)	(112)

The Directors consider that the carrying value of trade and other payables are approximate to their fair value.

15. Share capital

Authorised

	2019 Number	2019 £000	2018 Number	2018 £000
Shares treated as equity				
Ordinary shares of £1.00 each	6,808,889	6,809	20,600,000	20,600
	6,808,889	6,809	20,600,000	20,600

Issued and fully paid

	2019 Number	2019 £000	2018 Number	2018 £000
Ordinary shares of £1.00 each				
At 1 January	20,600,000	20,600	20,600,000	20,600
Shares cancelled	(13,791,111)	(13,791)	-	-
At 31 December	6,808,889	6,809	20,600,000	20,600

16. Financial risks

The Company's activities expose it to a variety of financial risks. These are credit risk, liquidity risk and market risk, (which includes 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 Board of Directors monitors the Company's financial risks and has responsibility for ensuring effective risk management and control.

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

a) Credit risk

Credit risk is the risk of suffering financial loss, should any of the Company's customers or market counterparties fail to fulfil their contractual obligations to the Company.

The Company assesses all counterparties, including its customers, for credit risk before contracting with them. The Company monitors its exposures and seeks to minimise its credit exposures by monitoring the credit rating of its counterparties in accordance with Barclays Group risk management policies.

Significant concentration of credit risk is detailed below:

Maximum exposure to credit risk

Whilst the Company's maximum exposure to credit risk is the carrying value of the assets, in most cases the likely exposure is far less due to other actions taken to mitigate the Company's exposure. The analysis presented below shows the financial effect of these mitigants.

	2019	2018
	£000	£000
Financial assets designated at fair value through income statement	2,290	-
Cash and cash equivalents	4,596	10
Trade and other receivables	-	6,522
Total maximum exposure at 31 December	6,886	6,532

Financial risks (continued)

Financial assets subject to risk

For the purposes of the Company's disclosures regarding credit quality, financial assets subject to credit risk have been analysed as follows:

As at 31 Dec 2019	Cash and cash equivalents £000	Financial assets designated at fair value through income statement £000	Total £000
Neither past due nor individually impaired	4,596	2,290	6,886
Total carrying amount	4,596	2,290	6,886

As at 31 Dec 2018	Cash and cash equivalents £000	Trade and other receivables £000	Total £000
Neither past due nor individually impaired	10	6,522	6,532
Total carrying amount	10	6,522	6,532

All the above financial assets are stage 1 as at the 31 December 2019 and the Expected Credit Losses (ECL) are immaterial.

Financial risks (continued)

Financial assets subject to credit risk neither past due nor individually impaired

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

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

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

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

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

	Strong	Satisfactory	Higher risk	Total
31 December 2019	£000	£000	£000	£000
Financial assets designated at fair value through profit or loss	2,290	-	-	2,290
Cash and cash equivalents	4,596	-	-	4,596
Total	6,886	-	-	6,886

	Strong	Satisfactory	Higher risk	Total
31 December 2018	£000	£000	£000	£000
Loans and other receivables	6,522	-	-	6,522
Cash and cash equivalents	10	-	-	10
Total	6,532	-	-	6,532

b) Liquidity risk

This is the risk that the Company's cash and committed facilities may be insufficient to meet its debts as they fall due.

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

b) Liquidity risk (continued)

Contractual maturity of financial liabilities on an undiscounted basis

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

As at 31st Dec 2019	**<=1 year**	**1-2 years**	**2-5 years**	**Total**
	£000	£000	£000	£000
Trade and other payables	-	-	-	-
Total	-	-	-	-

As at 31st Dec 2018	**<=1 year**	**1-2 years**	**2-5 years**	**Total**
	£000	£000	£000	£000
Trade and other payables	(112)	-	-	(112)
Total	**(112)**	-	-	**(112)**

c) Market risk

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

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.

Price risk

The Company is not exposed to price risk.

Concentration risk

The Company invests in two funds which have projects in the UK and Europe and, as a consequence, the aggregate return of the Company maybe materially and adversely affected by the unfavourable performance of one of the funds and the performance of these sectors.

Interest rate sensitivity analysis

The sensitivity of the income statement is the effect of assumed changes in interest rates on the net interest expense for one year, based on the floating rate non-trading financial assets and financial liabilities held at 31 December 2019 and 2018 respectively.

c) Market risk (continued)

Impact on net interest income

The effect on interest on the cash balances of the Company of a 25 basis points (2018: 25 basis points) change would be as follows:

	2019	2019
	£'000	£'000
	+25 basis points	**-25 basis points**
Change in net interest income	15	(15)
As a percentage of net interest income	47%	(47)%

	2018	2018
	£'000	£'000
	+25 basis points	**-25 basis points**
Change in net interest income	17	(17)
As a percentage of net interest income	42%	(42)%

17. Fair value measurement

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

The following table shows the Company's financial assets and liabilities by fair value hierarchy and statement of financial position classification:

2019	**Fair value**	**Level 1**	**Level 2**	**Level 3**
Financial assets	£000	£000	£000	£000
Financial assets desigated at fair value through income statement	2,290	2,290	-	-
Total	**2,290**	**2,290**	-	-

2018	**Fair value**	**Level 1**	**Level 2**	**Level 3**
Financial assets	£'000	£'000	£'000	£'000
Financial assets mandatorily at fair value through income statement	-	-	-	-
Total	-	-	-	-

Fair value measurement (continued)

The Company has not disclosed fair value levelling for cash and cash equivalents in line with IFRS 7.29(a).

Valuation governance

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

Valuation methodology

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

Quoted market prices - Level 1
Assets and liabilities 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**
Assets and liabilities 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
Assets and liabilities are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data (unobservable inputs). Valuations based on inputs that re not based on observable market data (unobservable data) include the use of valuation techniques which are in accordance with the International Private Equity and Venture Capital Valuation Guidelines.

Fair value measurement (continued)

Movements in financial assets

The following tables summarise the movements in the Level 1 (2019) and Level 3 (2018) balances during the year. The table shows gains and losses and includes amounts for all assets and liabilities transferred to and from Level 1 (2019) and Level 3 (2018) during the year. Transfers have been reflected as if they had taken place at the beginning of the year.

	As at 1 January 2019	Purchases	Sales	Other Income	As at 31 December 2019
Analysis of movement in Level 1 assets	£000	£000	£000	£000	£000
Financial assets designated at fair value through income statement	-	2,226	-	64	2,290
Total	**-**	**2,226**	**-**	**64**	**2,290**

Analysis of movement in Level 3 assets	As at 1 January 2018	Purchases	Sales	Other Income	As at 31 December 2018
	£000	£000	£000	£000	£000
Financial assets designated at fair value through income statement	1,590	-	(1,553)	(37)	-
Total	**1,590**	**-**	**(1,553)**	**(37)**	**-**

18. Contingencies and commitments

The investments contracted by the Company to underlying funds as at 31 December 2019 amounted to £nil (2018: £nil).

19. Related party transactions

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

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

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

Details of transactions between the Group and the other related parties are disclosed below.

19.1 Other related party transactions

Other related party transactions are as follows:

Related party relationship	**Type of transaction**	**Transaction amount** 2019 £000	2018 £000	**Balance outstanding** 2019 £000	2018 £000
Parent Company	Interest received	33	42	-	-
Parent Company	Other income	112	-	-	-
Parent Company	Fee expense	(1)	-	-	-
Parent Company	Cash and cash equivalents	-	-	4,596	10
Parent Company	Current tax (liability) / asset	-	-	(25)	260
Parent Company	Loans and other receivables	-	-	-	6,522
Total		144	42	4,571	6,792

20. Events after the reporting date

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

On the 11 March 2020 it was announced (and substantively enacted on 17 March 2020) that the UK corporation tax rate would remain at 19% and not reduce to 17% (the previously enacted rate) from 1 April 2020.

On the 11 March 2020 the Company issued and allotted 35,000,000 ordinary shares of £1 each at par.

The Company acquired three new investments namely Save Money Cut Carbon (SMCC), Motability and 80 Acres during the year.

21. Capital management

The Company's objectives when managing capital are:

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

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

The Company regards capital as its equity, as shown in the Statement of Financial Position.

Total capital is as follows:

	2019	2018
	£000	£000
Share capital	6,809	20,600
Retained earnings / (accumulated losses)	52	(13,920)
Total capital resources	6,861	6,680

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

22. Parent undertaking and ultimate holding company

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

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

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