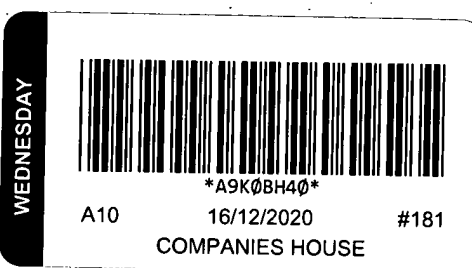


**Registered number: 02156066**

# **BARCLAYS UNQUOTED INVESTMENTS LIMITED**

**DIRECTORS' REPORT & FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2019**



## **BARCLAYS UNQUOTED INVESTMENTS LIMITED**

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## **BARCLAYS UNQUOTED INVESTMENTS LIMITED**

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

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

#### **Profits and dividends**

During the year the Company made a profit after tax of £210,715,947 (2018: £17,986,751. A dividend of £16,500,000 was paid on 30 October 2019 and a dividend of £5,000,000 was paid on 3 December 2019 (2018: £nil)).

#### **Post balance sheet events**

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

On the 11th of 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.

#### **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 04 November 2019)

A D Challis

G J Chapman

D R Mudie

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 they have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) and applicable law.

**BARCLAYS UNQUOTED INVESTMENTS LIMITED****DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2019****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 .

**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.

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

**BARCLAYS UNQUOTED INVESTMENTS LIMITED**

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

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

DocuSigned by:  
  
(654723DD87BA4A0...

G J Chapman

Director

Date: 10 December 2020

Registered number: 02156066

1 Churchill Place, London, E14 5HP

**BARCLAYS UNQUOTED INVESTMENTS LIMITED****STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2019****Business review and principal activities**

The principal activity of the Company is to provide equity finance to support the development of established businesses requiring funding for their next phase of growth/ownership. The Company made thirty nine new investments and two disposals in the year of 2019. (2018: Forty three new investments and two disposals).

**Business performance**

The results of the Company show a profit after tax of £210,715,947 (2018: £17,986,751) for the year. The Company has net assets of £260,342,404 (2018: £71,126,457). Net cash used in operating activities for 2019 was £19,296,456 (2018: £8,634,280 net cash generated from operating activities).

**Future outlook**

The immediate economic outlook in 2019 remains uncertain. A further worsening of economic conditions would, likely, favour the Company, which remains well funded, by implying a renewed stream of investment opportunities which are consistent with the principal activity of the Company.

The Company will therefore focus on the active investment management of its portfolio to ensure that, wherever feasible, the businesses are robust enough to handle the on-going difficult trading conditions, including being able to take advantage of acquisition and organic growth opportunities. In addition, the medium term outlook is positive for the successful realisation of certain assets.

**Principal risks & uncertainties**

The management of the business and the execution of the Company's strategy are subject to a number of risks. The key business risks affecting the Company are set out below. Risks are formally reviewed by the Board and appropriate processes put in place to monitor and mitigate them.

These are primarily around: effective investment selection and structuring; documenting of investor protection rights; and on-going tracking of business performance within the investment portfolio. The above risks are managed by: bi-annual investment valuations process; regular portfolio reviews; and through the use of investor protection rights. The Company did not invoke the investor protection rights on any of its investments during the year.

**Key performance indicators**

The Company has made significant progress during the year on its objectives and business strategy. The Board of Directors monitors progress on the overall strategy by reference to the following key performance indicators: the number of new investments made: thirty nine (2018: forty three); disposals of investments: two (2018: two); the value of fair value through profit and loss assets: £345,845,227 (2018: £322,072,268).

## BARCLAYS UNQUOTED INVESTMENTS LIMITED

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

#### Section 172(1) statement

The Directors have acted in a way that they considered, in good faith, to be most likely to promote the success of Barclays Unquoted Investments 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

In April 2019, the Board approved the sale of 15% of Tradeweb stake in support of the Initial Public Offering (IPO) by Tradeweb. As Tradeweb went public, the strategic rationale to remain a large shareholder had dropped away. Subsequently in Q4 2019, the Board approved to sell a further 50% of the shares outstanding as of the April sell-down. This enabled the Board to reduce P&L volatility, FX exposure and crystallize profits.

**BARCLAYS UNQUOTED INVESTMENTS LIMITED**

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

This report was approved by the board on 13 November 2020 and signed on its behalf.

DocuSigned by:  
  
G J Chapman

Director

Date: 10 December 2020

Registered number: 02156066

1 Churchill Place, London, E14 5HP



**BARCLAYS UNQUOTED INVESTMENTS LIMITED****INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BARCLAYS UNQUOTED INVESTMENTS LIMITED****Opinion**

We have audited the financial statements of Barclays Unquoted Investments Limited for the year ended 31 December 2019 which comprise the Statement of profit or loss, the Statement of financial position, the Statement of cash flows, the Statement of changes in equity and the related notes, including a summary of significant accounting policies set out on pages 17 - 22. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and Article 4 of the IAS Regulation.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to principal risks, going concern and viability statement**

We have nothing to report in respect of the following information in the Annual report, in relation to which the ISAs (UK) require us to report to you whether we have anything material to add or draw attention to:

- the disclosures in the Annual report that describe the principal risks and explain how they are being managed or mitigated;
- the Directors' confirmation in the Annual report that they have carried out a robust assessment of the principal risks facing the company, including those that would threaten its business model, future performance, solvency or liquidity;
- the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements and the Directors' identification of any material uncertainties to the company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements; or
- the Directors' explanation in the annual report as to how they have assessed the prospects of the company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

## **BARCLAYS UNQUOTED INVESTMENTS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BARCLAYS UNQUOTED INVESTMENTS LIMITED**

#### **Other information**

The Directors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ~~the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.~~

## **BARCLAYS UNQUOTED INVESTMENTS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BARCLAYS UNQUOTED INVESTMENTS LIMITED**

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us 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.

#### **Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement on pages 2 and 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for 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 the Directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



Michael McGarry (Senior Statutory Auditor)

for and on behalf of  
**KPMG LLP**

Statutory Auditor  
Chartered Accountants

15 Canada Square  
London  
E14 5GL

16 November 2020

10/12/2020

**BARCLAYS UNQUOTED INVESTMENTS LIMITED****STATEMENT OF PROFIT OR LOSS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £	2018 £
<b>Continuing operations</b>			
Revenue	6	232,667,263	18,994,364
Impairment charge on associate investments	11	(418,306)	(434,904)
<b>Gross profit</b>		<u>232,248,957</u>	<u>18,559,460</u>
Administrative expenses		42,967	(63,186)
<b>Operating profit</b>		<u>232,291,924</u>	<u>18,496,274</u>
Exchange loss		(11,407,074)	(396,620)
Interest income and similar income	7	4,555,272	2,555,491
Interest expense and similar expense	7	(14,948,047)	(2,689,086)
<b>Profit before tax</b>	8	<u>210,492,075</u>	<u>17,966,059</u>
Tax credit	10	223,872	20,692
<b>Profit for the year</b>		<u><u>210,715,947</u></u>	<u><u>17,986,751</u></u>

Profit or loss from the year is derived from continuing activities. All recognised income and expenses have been reported in the income statement, hence no statement of comprehensive income has been included in the financial statements.

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

**BARCLAYS UNQUOTED INVESTMENTS LIMITED**  
**REGISTERED NUMBER: 02156066**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2019**

	Note	2019 £	2018 £
<b>Assets</b>			
<b>Non-current assets</b>			
Investments in equity-accounted associates	11	1,396,781	1,815,087
Long term deposits	14	226,978,117	14,621,391
Deferred tax assets	10	426	538
<b>Total non-current assets</b>		<b>228,375,324</b>	<b>16,437,016</b>
<b>Current assets</b>			
Financial assets mandatorily at fair value through income statement	12	345,845,227	322,072,268
Derivative financial assets	13	399,377	597,869
Other assets		318,807	880,079
Cash and cash equivalents		3,811,822	70,019,090
Short term deposits	14	255,022,529	22,892,246
Current tax assets	10	293,414	16,346
<b>Total current assets</b>		<b>605,691,176</b>	<b>416,477,898</b>
<b>Total assets</b>		<b>834,066,500</b>	<b>432,914,914</b>
<b>Liabilities</b>			
Loans and borrowings	15	476,165,296	11,512,684
		<b>476,165,296</b>	<b>11,512,684</b>
<b>Current liabilities</b>			
Trade and other payables	16	330,503	13,040,586
Borrowings	15	97,228,297	337,235,187
<b>Total current liabilities</b>		<b>97,558,800</b>	<b>350,275,773</b>
<b>Net assets</b>		<b>260,342,404</b>	<b>71,126,457</b>
<b>Issued capital and reserves</b>			
Share capital	17	1,000	1,000
Retained earnings		260,341,404	71,125,457
<b>TOTAL EQUITY</b>		<b>260,342,404</b>	<b>71,126,457</b>

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

**BARCLAYS UNQUOTED INVESTMENTS LIMITED**  
**REGISTERED NUMBER: 02156066**

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

The financial statements were approved and authorised for issue by the board of Directors on 13 November 2020 and were signed on its behalf by:

DocuSigned by:  
*Gavin Chapman*

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**G J Chapman**

Director

Date: 10 December 2020

Registered number: 02156066

**BARCLAYS UNQUOTED INVESTMENTS LIMITED****STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Share capital £	Retained earnings £	Total equity £
<b>At 1 January 2019</b>	1,000	71,125,457	71,126,457
<b>Comprehensive income for the year</b>			
Profit for the year	-	210,715,947	210,715,947
<b>Total comprehensive income for the year</b>	-	210,715,947	210,715,947
<b>Contributions by and distributions to owners</b>			
Dividends	-	(21,500,000)	(21,500,000)
<b>Total contributions by and distributions to owners</b>	-	(21,500,000)	(21,500,000)
<b>At 31 December 2019</b>	1,000	260,341,404	260,342,404

	Share capital £	Retained earnings £	Total equity £
<b>At 1 January 2018</b>	1,000	45,300,466	45,301,466
<b>Comprehensive income for the year</b>			
Profit for the year	-	17,986,751	17,986,751
<b>Total comprehensive income for the year</b>	-	17,986,751	17,986,751
<b>Contributions by and distributions to owners</b>			
Adjustment on initial application of IFRS 9, net of tax	-	7,838,240	7,838,240
<b>Total contributions by and distributions to owners</b>	-	7,838,240	7,838,240
<b>At 31 December 2018</b>	1,000	71,125,457	71,126,457

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

**BARCLAYS UNQUOTED INVESTMENTS LIMITED****STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 £	2018 £
<b>Continuing operations</b>		
<b>Cash flows from operating activities</b>		
Profit for the year	210,715,948	17,986,751
<b>Adjustments for</b>		
Allowance for impairment	418,306	434,904
Net finance income	246,765	287,696
Net gain on financial instruments held at fair value through the income statement	(206,897,718)	(22,579,447)
Foreign exchange movements	(11,407,074)	(154,101)
Income tax expense / (credit)	(223,872)	(20,692)
	(7,147,645)	(4,044,889)
<b>Movements in working capital:</b>		
Decrease/(increase) in trade and other receivables	561,272	(277,983)
(Decrease) / increase in trade and other payables	(12,710,083)	12,957,152
<b>Cash generated from operations</b>	(19,296,456)	8,634,280
<b>Net cash (used in)/from operating activities</b>	(19,296,456)	8,634,280
<b>Cash flows from investing activities</b>		
Purchase of investments	(58,061,864)	(291,781,181)
Proceeds from sale of investments	241,385,115	12,044,419
Interest received	4,555,272	2,555,491
<b>Net cash from/(used in) investing activities</b>	187,878,523	(277,181,271)
<b>Cash flows from financing activities</b>		
Proceeds from bank borrowings	224,645,722	339,711,604
Interest paid	(14,948,047)	(2,689,086)
<b>Net cash from financing activities</b>	209,697,675	337,022,518
<b>Net cash increase in cash and cash equivalents</b>	378,279,742	68,475,527
Cash and cash equivalents at the beginning of year	107,532,727	39,057,200
<b>Cash and cash equivalents at the end of the year</b>	485,812,469	107,532,727

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



## BARCLAYS UNQUOTED INVESTMENTS LIMITED

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

#### 1. Reporting entity

These financial statements are prepared for Barclays Unquoted Investments Limited (the 'Company'), the principal activity of which is to provide equity finance to support the development of established businesses requiring funding for their next phase of growth/ownership.

The financial statements are separate financial statements prepared for the Company only, in line with the UK Companies Act 2006. The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its Group. The parent undertaking of the smallest group that presents consolidated financial statements is Barclays Bank PLC and the ultimate holding company and the parent undertaking of the largest group that presents group financial statements is Barclays PLC, both of which prepare consolidated financial statements in accordance with International Financial Reporting Standards ('IFRS') and interpretations issued by the IFRS Interpretations Committee ('IFRS IC'), as published by the International Accounting Standards Board ('IASB') and accordingly consolidated financial statements have not been prepared based on the exemption provided under paragraph 4(a) of IFRS 10.

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

#### 2. Compliance with International Financial Reporting Standards

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

#### 3. Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention 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 Pound 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), 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.

**BARCLAYS UNQUOTED INVESTMENTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019****New and amended standards (continued)****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 five-step 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.

Included in the revenue are fair value movements (on financial assets held at fair value through the income statement), gains on disposals and other income from financial assets (dividends).

**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.

## BARCLAYS UNQUOTED INVESTMENTS LIMITED

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

#### 5. Summary of significant accounting policies (continued)

##### 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.

**BARCLAYS UNQUOTED INVESTMENTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019****5. Summary of significant accounting policies (continued)****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.

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

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

**BARCLAYS UNQUOTED INVESTMENTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019****5. Summary of significant accounting policies (continued)****Financial assets and liabilities (continued)****Financial assets (continued)**

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

***Financial instruments at fair value through profit or loss***

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

***Accounting for financial assets mandatorily at fair value***

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

***Accounting for financial assets designated at fair value***

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

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

***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.

**BARCLAYS UNQUOTED INVESTMENTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019****5. Summary of significant accounting policies (continued)****5.6 Derivative financial instruments**

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps.

All derivative instruments are held at fair value through profit or loss, except for derivatives that are in a designated cash flow or net investment hedge accounting relationship. Derivatives are classified as assets when their fair value is positive or as liabilities when their fair value is negative. This includes terms included in a contract or financial liability (the host), which, had it been a standalone contract, would have met the definition of a derivative. If these are separated from the host, i.e. when the economic characteristics of the embedded derivative are not closely related with those of the host contract and the combined instrument is not measured at fair value through profit or loss, then they are accounted for in the same way as derivatives. For financial assets, the requirements are whether the financial asset contains contractual terms that give rise on specified dates to cash flows that are SPPI, and consequently the requirements for accounting for embedded derivatives are not applicable to financial assets.

**5.7 Share capital and dividends**

Share capital classified as equity, provided that there is no present obligation to deliver cash or another financial asset to the holder, is shown in called up share capital, and the costs associated with the issuance of shares are recorded as a deduction from equity.

**5.8 Dividends on ordinary shares**

Dividends on ordinary shares are recognised in equity in the period in which they are paid or, if earlier, approved by the Company's directors.

**5.9 Cash and cash equivalents**

Cash comprises cash on hand, demand deposits, and cash equivalents. Cash equivalents comprise highly liquid investments that are convertible into cash with an insignificant risk of changes in value with original maturities of less than three months. Trading balances are not considered to be part of cash equivalents.

**5.10 Associates**

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.

Investment in associates are stated at cost, less impairment, if any, in assessing whether there is any inclusion that an investment in associate may be impaired, the Company considers whether the asset's market value has declined significantly more than would be expected as a result of the passage of time or normal use.

Investments 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, 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.

**BARCLAYS UNQUOTED INVESTMENTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019****5. Summary of significant accounting policies (continued)****5.11 Critical accounting estimates**

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

**6. Revenue**

	2019 £	2018 £
Net gains on financial instruments held at fair value through the income statement	206,897,718	15,526,965
Dividends from equity investments	41,455	3,063,473
Other income from financial assets	25,728,090	403,926
<b>Total</b>	<b>232,667,263</b>	<b>18,994,364</b>

**7. Finance income and expense****Recognised in profit or loss**

	2019 £	2018 £
<b>Finance income</b>		
Bank interest received	4,555,272	2,555,491
<b>Total finance income</b>	<b>4,555,272</b>	<b>2,555,491</b>
<b>Finance expense</b>		
Bank interest paid	14,948,047	2,689,086
<b>Total finance expense</b>	<b>14,948,047</b>	<b>2,689,086</b>
<b>Net finance expense recognised in profit or loss</b>	<b>(10,392,775)</b>	<b>(133,595)</b>

**8. Profit before tax**

The Company's 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 £16,000 (2018: £16,000).

**BARCLAYS UNQUOTED INVESTMENTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019****9. Employees 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 Directors exercised options under the Barclays PLC Sharesave scheme and Long Term Incentive Schemes during 2019 (2018: £nil).

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

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

**Key management personnel compensation**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, including the Directors of the Company listed on page 1, and the Financial Controller of the Company.

**10. Tax expense****10.1 Income tax recognised in profit or loss**

	2019 £	2018 £
<b>Current tax</b>		
Current tax on profits for the year	(302,154)	(20,810)
Adjustments in respect of prior years	25,086	-
Foreign exchange	53,083	-
<b>Total current tax</b>	<b>(223,985)</b>	<b>(20,810)</b>
<b>Deferred tax expense</b>		
Current year	104	127
Rate change adjustment	9	(9)
<b>Total deferred tax</b>	<b>113</b>	<b>118</b>
<b>Total current tax</b>	<b>(223,872)</b>	<b>(20,692)</b>
<b>Total tax expense / (credit)</b>	<b>(223,872)</b>	<b>(20,692)</b>
	<b>(223,872)</b>	<b>(20,692)</b>



**BARCLAYS UNQUOTED INVESTMENTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019****10. Tax expense (continued)****10.1 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 £	2018 £
Profit for the year	210,715,947	17,986,751
Income tax expense / (credit)	(223,872)	(20,692)
<b>Profit before income taxes</b>	<b>210,492,075</b>	<b>17,966,059</b>
Tax using the Company's domestic tax rate of 19% (2018: 19%)	39,993,494	3,413,551
Adjustments in respect of prior years	25,086	-
Non-taxable income	(34,197,371)	163,027
Non-taxable dividends	(2,669,813)	-
FX revaluation	53,083	-
Gains exempt under SSE or s171A	(3,428,360)	(3,597,261)
Rate change adjustment	9	(9)
<b>Total tax expense / (credit)</b>	<b>(223,872)</b>	<b>(20,692)</b>

**Changes in tax rates and factors affecting the future tax charges**

The main rate of UK corporation tax is 19%. Legislation was introduced to reduce the main rate of UK corporation tax to 17% from 1 April 2020.

In the March 2020 budget announcement, the Chancellor confirmed that the rate of corporation tax will remain at 19% from 1 April 2020. This measure has been made under a Budget resolution which has statutory effect under the provisions of the Provisional Collection of Taxes Act 1968. Since this change (cancelling the enacted reduction to 17%) was not enacted or substantively enacted on the balance sheet date, this has not been used to calculate current or deferred tax for tax disclosures for year ended 31 December 2019.

**10.2 Current tax assets and liabilities**

	2019 £	2018 £
<b>Current tax assets</b>		
Group relief receivable	293,414	16,346

**BARCLAYS UNQUOTED INVESTMENTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019****10. Tax expense (continued)****10.3 Deferred tax balances**

The following is the analysis of deferred tax assets/(liabilities) presented in the statement of financial position:

	2019 £	2018 £
Deferred tax assets	426	538
	<u>426</u>	<u>538</u>

**11. Related undertakings****Investments in associates**

Movements in and details of, the Company's long term investments in associates is as follows:

	2019 £	2018 £
As at 1st January	1,815,087	-
Additions	-	2,249,991
Loss on disposal	-	-
Impairment charge in year	(418,306)	(434,904)
As at 31st December	<u>1,396,781</u>	<u>1,815,087</u>

Company name	Investment type	Registered office	Class of shares/ units held	Proportion of class of shares held	Aggregate capital and reserves	Loss after tax	Financial year end
Back Office Technology Limited	Associate	C/O Blick Rothenberg Limited 1st Floor, 7-10 Chandos Street, London, England, W1G 9DQ	256,410 Series A shares	9.830%	12,715,485	(914,602)	31-Mar-19

**BARCLAYS UNQUOTED INVESTMENTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019****12. Financial assets fair value through the income statement**

	2019 £	2018 £
Equity securities	327,786,889	307,729,234
Other financial assets	18,058,338	14,343,034
<b>Total</b>	<b>345,845,227</b>	<b>322,072,268</b>

An analysis of the fair values of these securities and the valuation methodology applied are described in note 19.

Information relating to financial risks is included in note 18.

**13. Derivative financial instruments**

	2019 £	2018 £
<b>Derivative financial assets</b>		
Derivatives held under equity option	399,377	597,869
<b>Total derivative financial assets</b>	<b>399,377</b>	<b>597,869</b>
	2019 £	2018 £
<b>Current and non-current</b>		
Current	399,377	597,869
<b>Total derivative financial assets</b>	<b>399,377</b>	<b>597,869</b>

**14. Deposits**

	2019 £	2018 £
Short term deposits - due to related parties	255,022,529	22,892,246
Long term deposits - due to related parties	226,978,117	14,621,391
	<b>482,000,646</b>	<b>37,513,637</b>

The Directors consider that the carrying amount of the deposits approximates their fair value.

The deposits above are stage 1 as at the 31 December 2019 (2018: Stage 1) and the Expected Credit Losses (ECL) are immaterial.

**BARCLAYS UNQUOTED INVESTMENTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019****15. Borrowings**

	2019 £	2018 £
Short term borrowings - due to related parties	97,228,297	337,235,187
Long term borrowings - due to related parties	476,165,296	111,512,684
<b>Total</b>	<b>573,393,593</b>	<b>348,747,871</b>

**16. Trade and other payables**

	2019 £	2018 £
Trade payables	309,973	132,107
Amounts due to related parties	20,530	12,847,614
Accrued expenses	-	60,865
Less: current portion - trade payables	(309,973)	(132,107)
Less: current portion - payables to related parties	(20,530)	(12,847,614)
Less: current portion - accruals	-	(60,865)
<b>Total current portion</b>	<b>(330,503)</b>	<b>(13,040,586)</b>
<b>Total non-current position</b>	<b>-</b>	<b>-</b>

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

**17. Share capital****Authorised**

	2019 Number	2019 £	2018 Number	2018 £
<b>Shares treated as equity</b>				
Ordinary shares of £1.00 each	1,000	1,000	1,000	1,000
	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>

**BARCLAYS UNQUOTED INVESTMENTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019****17. Share capital (continued)****Issued and fully paid**

	2019 Number	2019 £	2018 Number	2018 £
<b>Ordinary shares of £1.00 each</b>				
At 1 January and 31 December	1,000	1,000	1,000	1,000

**18. Financial risks**

The Company's activities expose it to a variety of financial risks. These are credit risk, liquidity risk and market risk, (which includes foreign currency risk, interest rate risk and price risk). Consequently, the Company devotes considerable resources to maintaining effective controls to manage, measure and mitigate each of these risks, and regularly reviews its risk management procedures and systems to ensure that they continue to meet the needs of the business.

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

**a) Credit risk**

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

The Company assesses all investments before proceeding and there is a formal approval process via an Investment Committee, who also track the performance of all investments throughout the life of each investment. This Investment Committee would also agree any material changes in investment terms and the management thereof. The Company does not hold collateral in respect of its investments, per the nature of its activity.

**Maximum exposure to credit risk**

The Company's maximum exposure to credit risk is the carrying value of the assets. This analysis and subject analyses of credit risk include only financial assets subject to credit risk. They exclude other financial assets, mainly equity securities held in the trading portfolio or as available for sale assets, as well as non-financial assets.

## BARCLAYS UNQUOTED INVESTMENTS LIMITED

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

The following table shows the maximum exposure to credit risk:

	2019	2018
	£	£
Cash and cash equivalents	3,811,822	70,019,090
<b>Financial assets at fair value through the income statement</b>		
Other financial assets	18,058,338	14,343,034
Other assets	318,807	880,079
	<u>22,188,967</u>	<u>85,242,203</u>

The Company does not hold any collateral as security.

**b) Liquidity risk**

Liquidity risk is the risk that the Company's cash and committed facilities may be insufficient to meet its payment obligations as they fall due. The Company has the financial support of the parent undertaking Barclays PLC, it also maintains banking facilities with Barclays Bank PLC. These facilities are designed to ensure the Company has sufficient available funds for operations.

The medium to long term nature of the assets are funded by share capital and loans from the parent and, therefore, the only liquidity risk is likely to be short term in relation to drawing of capital to meet investment objectives. The Company seeks to settle payables positions as soon as possible.

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	5-10 years	>10 years	Total
	£	£	£	£	£	£
	'000	'000	'000	'000	'000	'000
Trade and other payables	330,503	-	-	-	-	330,503
Short term borrowings	97,228,297	-	-	-	-	97,228,297
Long term borrowings	-	-	476,165,296	-	-	476,165,296
<b>Total</b>	<b>97,558,800</b>	<b>-</b>	<b>476,165,296</b>	<b>-</b>	<b>-</b>	<b>573,724,096</b>

As at 31st Dec 2018	<=1 year	1-2 years	2-5 years	5-10 years	>10 years	Total
	£	£	£	£	£	£
	'000	'000	'000	'000	'000	'000
Trade and other payables	13,040,586	-	-	-	-	13,040,586
Short term borrowings	337,235,187	-	-	-	-	337,235,187
Long term borrowings	-	-	11,512,684	-	-	11,512,684
<b>Total</b>	<b>350,275,773</b>	<b>-</b>	<b>11,512,684</b>	<b>-</b>	<b>-</b>	<b>361,788,457</b>

**BARCLAYS UNQUOTED INVESTMENTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019****c) Market risk**

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

**Interest rate risk**

Interest rate risk is the possibility that changes in interest rates will result in higher financing costs and/or reduced income from the Company's interest bearing financial assets and liabilities.

**Interest rate sensitivity analysis**

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

**Impact on net interest income and equity**

The effect on interest of a 25 basis points change would be as follows:

	2019	2019	2018	2018
	£	£	£	£
	<u>+25 basis</u>	<u>-25 basis</u>	<u>+25 basis</u>	<u>-25 basis</u>
	<u>points</u>	<u>points</u>	<u>points</u>	<u>points</u>
Total £	7,876	(7,876)	11,761	(11,761)
As a percentage of net interest income	0%	0%	(9)%	9%

**Foreign currency risk**

Items included in the financial statements of the Company are measured using their functional currency.

Foreign currency transactions are translated into sterling using the exchange rates prevailing at the dates of the transactions. Monetary items denominated in foreign currencies are retranslated at the rate prevailing at the period end. Foreign exchange gains and losses resulting from the retranslation and settlement of these items are recognised in the income statement.

Non-monetary assets that are measured at fair value are translated using the exchange rate at the date that the fair value was determined. Exchange differences on equities and similar non-monetary items held at fair value through profit and loss, are reported as part of the fair value gain or loss. Translation differences on equities classified as available for sale financial assets and non-monetary items are included directly in equity.

# BARCLAYS UNQUOTED INVESTMENTS LIMITED

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

The following sensitivity table demonstrates the effects of a 10% rise or fall in foreign exchange rates for each of the major foreign currency exposures of the Company:

	2019	2019	2019	2019	2018	2018	2018	2018
	£	£	£	£	£	£	£	£
	Impact on profit after tax if currency weakens 10% vs GBP	Impact on profit after tax if currency weakens 10% vs GBP	Impact on profit after tax if currency strengthens 10% vs GBP	Impact on profit after tax if currency strengthens 10% vs GBP	Impact on profit after tax if currency weakens 10% vs GBP	Impact on profit after tax if currency weakens 10% vs GBP	Impact on profit after tax if currency strengthens 10% vs GBP	Impact on profit after tax if currency strengthens 10% vs GBP
Effect on income								
US Dollar	(5,265,879)	(2.5%)	6,436,074	3.1%	(56,541)	(0.3%)	69,106	0.4%
Euro	(3,848,729)	(1.8%)	4,704,002	2.3%	(215,700)	(1.2%)	263,634	1.5%
HKD	(263,597)	(0.1%)	322,174	0.2%	(154,505)	(0.9%)	188,839	1.1%

### Price risk

Price risk is the risk that market prices for the Company's investment securities measured at fair value may fall. The Company is exposed to equity securities price risk because of investments held at fair value through profit or loss. The Company is not exposed to commodity price movements.

To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio and ensures all investments are pre-approved by its Investment Committee. Price risk is tracked via half yearly Valuations Committee and fair values applied as a result of this and any Directors over-rides at the reporting date.

Investments are predominantly in unquoted private companies therefore, successful price risk management is achieved by ensuring that the Company pays an appropriate price at purchase and also that each investment will achieve value growth prior to disposal.

The fair value of the investments can be affected by the volatility in the markets in which they operate, impacting upon comparable price/earnings ratio (PE), an observable measure which can be used to value these investments.



**BARCLAYS UNQUOTED INVESTMENTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

The investments are valued in accordance with the 'International Private Equity and Venture Capital Valuation Guidelines'. This requires the use of a number of individual pricing benchmarks such as the prices of recent transactions in the same or similar entities, discounted cash flow analysis, and comparison with the earnings multiples of listed comparative companies. Full valuations are generally performed at least bi-annually, with the positions reviewed periodically for material events that might impact upon fair value. The valuation of unquoted equity instruments is subjective by nature. However, the relevant methodologies are commonly applied by other market participants and have been consistently applied over time.

The relevant valuation models are each sensitive to a number of key assumptions, such as equity prices for equity put options, projected future earnings, comparator multiples, discount rates for marketability, size and liquidity. Valuation sensitivity is estimated by flexing such assumptions on the discount factor to reasonable alternative levels and determining the impact in the resulting valuation. The below sensitivity analysis has been performed by observing a 10% movement in either way on the key assumptions.

Product type	Fair value	Favourable changes		Unfavourable changes	
	Total assets	Income statement	Equity	Income statement	Equity
	£	£	£	£	£
<b>As at 31 Dec 2019</b>					
Fair value through income statement	-	29,824,528	-	(28,892,418)	-
<b>Total</b>		<b>29,824,528</b>	<b>-</b>	<b>(28,892,418)</b>	<b>-</b>
<b>As at 31 Dec 2018</b>					
Fair value through income statement	-	31,656,295	-	(24,858,573)	-
<b>Total</b>		<b>31,656,295</b>	<b>-</b>	<b>(24,858,573)</b>	<b>-</b>

**Significant unobservable inputs**

The Company uses 'Current Earnings Multiples' and 'Net Asset Value' approach to value its investments. This methodology involves the application of an 'earnings multiple' to the best estimate of 'maintainable earnings' of the business to determine the Enterprise Value of the business which is then allocated to the various interests – which includes the Company's investments. This means making a judgement over the outlook for the current underlying trend in trading to determine what is reasonably maintainable earnings.

In the difficult situations involving rescue financing or a turnaround of the business, where it is not unusual for such businesses to be loss making at the point of investment it is not representative to use a current earnings approach. The IPEV guidance is that fair value in most of these cases should be possible to estimate on the amount a market participant would pay for the investment in question.

**19. 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 that are held at fair value analysed by valuation technique. The classification of instruments is based on the lowest level input that is significant to the fair value measurement in its entirety. 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.

## BARCLAYS UNQUOTED INVESTMENTS LIMITED

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	Quoted market prices: (Level 1)	Observable inputs: (Level 2)	Significant unobservable inputs: (Level 3)	Total
31 December 2019	£	£	£	£
<b>Financial assets</b>				
Financial assets at fair value through the income statement - equity securities	136,356,651	-	191,430,238	327,786,889
Financial assets at fair value through the income statement - other securities	-	-	18,058,338	18,058,338
Derivative financial assets	-	-	399,377	399,377
Deposits	-	482,000,646	-	482,000,646
<b>Total assets</b>	<b>136,356,651</b>	<b>482,000,646</b>	<b>209,887,953</b>	<b>828,245,250</b>
<b>Financial liabilities</b>				
Borrowings	-	(573,393,593)	-	(573,393,593)
<b>Total liabilities</b>	<b>-</b>	<b>(573,393,593)</b>	<b>-</b>	<b>(573,393,593)</b>

	Quoted market prices (Level 1)	Observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
31 December 2018	£	£	£	£
<b>Financial assets</b>				
Financial assets at fair value through income statement - equity securities	-	-	307,729,234	307,729,234
Financial assets at fair value through income statement - other securities	-	-	14,343,034	14,343,034
Derivative financial instruments	-	-	597,869	597,869
Deposits	-	37,513,637	-	37,513,637
<b>Total assets</b>	<b>-</b>	<b>37,513,637</b>	<b>322,670,137</b>	<b>360,183,774</b>
<b>Financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Borrowings	-	(348,747,871)	-	(348,747,871)
<b>Total liabilities</b>	<b>-</b>	<b>(348,747,871)</b>	<b>-</b>	<b>(348,747,871)</b>

**BARCLAYS UNQUOTED INVESTMENTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
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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**

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**

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

Unobservable input levels are generally determined via reference to observable inputs, historical observations or using other analytical techniques.

Methods of valuation used for the Level 3 assets are earnings multiple, net asset value, transaction and equity option. These are used in isolation per investment or a blended combination. These methods contain a number of unobservable data inputs which have been listed below.

- Earnings Multiples includes multiples (3.5x – 14.4x) and discounts (0%-50%).
- Net Asset Value being our equity percentage of the net asset value based on the management accounts of the investment companies.
- Transaction based on recent third party arm's length transactions within the investment company. These transactions are within a year of the valuation date.
- Equity put option, the value of the put option is dependent on the strike price of an unlisted equity investment, which is valued using an earnings multiple. This is currently 1.5x above the share price.

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## Movements in Level 3 assets

The following table summarises the movements in the Level 3 balance during the year. The table shows gains and losses and includes amounts for all assets and liabilities transferred to and from Level 3 during the year. Transfers have been reflected as if they had taken place at the beginning of the year.

	As at 1 January	Purchases	Sales	Total gains and losses in the year recognised in the income statement	As at 31 December
	£	£	£	£	£
<b>2019</b>					
Financial assets designated at fair value	197,688,498	58,061,864	(92,165,084)	45,903,299	209,488,577
Derivative financial assets	597,869	-	-	(198,492)	399,377
<b>Total assets</b>	<u>198,286,367</u>	<u>58,061,864</u>	<u>(92,165,084)</u>	<u>45,704,807</u>	<u>209,887,954</u>
<b>2018</b>					
Financial assets designated at fair value	22,603,919	283,636,910	(12,044,420)	27,875,859	322,072,268
Derivative financial assets	-	861,073	-	(263,204)	597,869
<b>Total liabilities</b>	<u>22,603,919</u>	<u>284,497,983</u>	<u>(12,044,420)</u>	<u>27,612,655</u>	<u>322,670,137</u>

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

**BARCLAYS UNQUOTED INVESTMENTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019****20. 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.

**Other related party transactions**

Other related party transactions are as follows:

Related party relationship	Type of transaction	Transaction amount		Balance outstanding	
		2019	2018	2019	2018
		£	£	£	£
<b>Income statement</b>					
Fellow subsidiaries	Interest received	4,555,272	2,555,491	-	-
Fellow subsidiaries	Interest paid	(14,948,047)	(2,689,086)	-	-
		-	-	-	-
<b>Statement of financial position</b>					
Fellow subsidiaries	Deposits	-	-	482,000,646	38,095,672
Fellow subsidiaries	Cash and cash equivalents	-	-	3,811,822	70,019,090
Parent company	Borrowings	-	-	291,086,169	197,902,114
Fellow subsidiaries	Borrowings	-	-	282,307,424	150,845,757
		-	-	-	-
<b>Total</b>		<b>(10,392,775)</b>	<b>(133,595)</b>	<b>(87,581,125)</b>	<b>240,633,109</b>

**21. Events after the reporting date**

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

On the 11th of 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.

**BARCLAYS UNQUOTED INVESTMENTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019****22. 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 as capital its equity, as shown in the statement of financial position.

Total capital is as follows:

	2019	2018
	£	£
Share capital	1,000	1,000
Retained earnings	260,341,404	71,125,457
<b>Total capital resources</b>	<b>260,342,404</b>	<b>71,126,457</b>

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The business is well funded through its parent company and any significant investments require approval by the Investment Committee.

**23. 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. 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.