

Registered number: 02530163

BARCLAYCARD FUNDING PLC

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

For the Year Ended 31 December 2022

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BARCLAYCARD FUNDING PLC

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BARCLAYCARD FUNDING PLC

Directors' Report For the Year Ended 31 December 2022

The Directors present their annual report together with the audited financial statements of Barclaycard Funding PLC (the 'Company') for the year ended 31 December 2022.

Profit and dividends

During the year the Company made a profit after tax of £2,000 (2021: £2,000). The Directors do not recommend the payment of a dividend for the Class A or B ordinary shares for the year ended 31 December 2022 (2021: £nil).

Directors

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

Intertrust Directors 1 Limited
A Lishman (resigned 20 February 2023)
S C Temple (resigned 20 February 2023)

Since the year end, R A Bland was appointed as a Director on 20 February 2023 and A Lishman and S C Temple resigned as Directors on 20 February 2023.

Going concern

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

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

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK-adopted international accounting standards and applicable law.

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

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

BARCLAYCARD FUNDING PLC

Directors' Report (continued) For the Year Ended 31 December 2022

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

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 Barclays Group ('the Group') risk management policies, which include specific guidelines on the management of foreign exchange, interest rate and credit risks, and advice on the use of financial instruments to manage them. The main financial risks that the Company is exposed to are outlined in note 14.

Corporate governance statement

The Directors have been charged with governance in accordance with the Barclays Medium Term Note Programme ("MTNP") transaction documents describing the structure and operation of the transaction. The governance structure of the Company is such that the key policies have been predetermined at the time of issuance and the operational roles have been assigned to third parties with their roles strictly governed by the MTNP transaction documents.

The transaction documents provide for an internal control framework and risk management systems that have been designed for safeguarding assets against unauthorised use or disposition, for maintaining proper accounting records, and for the reliability and usefulness of financial information used with the business or for publication. Such procedures are designed to manage rather than eliminate the risk of failure to achieve business objectives whilst enabling them to comply with the regulatory obligations.

Directors third party indemnity provisions

Qualifying third party indemnity provisions were in force (as defined by section 234 of the Companies Act 2006) during the course of the financial year ended 31 December 2022 for the benefit of the then Directors and, at the date of this report, are in force for the benefit of the Directors in relation to certain losses and liabilities, including qualifying third party indemnity provisions and qualifying indemnity provisions which may occur (or have occurred) in connection with their duties, powers or office.

Environment

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

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

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

BARCLAYCARD FUNDING PLC

Directors' Report (continued) For the Year Ended 31 December 2022

Environment (continued)

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

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

Disclosure of global greenhouse gas emissions is done at a Barclays Group level with information available in the Barclays PLC Annual Report 31 December 2022 with fuller disclosure available on the Barclays website at <https://home.barclays/sustainability/addressing-climate-change/>.

Engagement with customers, suppliers and others in a business relationship with the Company

Barclays aims to create sustainable value for all those we serve, through the economic cycle.

Barclays are committed to serving our customers' and clients' best interests and engage with them regularly so we can understand how best to adapt our products and services to their evolving needs.

The Company is a special purpose vehicle. It has a limited range of activities and a small number of business relationships with third parties. Such third parties have been appointed by the Company to perform certain roles in connection with the Company's financing and other main transactions. As such, the broad terms and scope of the Company's limited number of business relationships are determined by the documents establishing such transactions.

Independent auditor

In accordance with section 489 of the Companies Act 2006, a resolution for the re-appointment of KPMG LLP as auditor of the Company is to be proposed at the forthcoming Annual General Meeting.

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 is unaware. The Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

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

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

DocuSigned by:



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P H Whitaker
For and behalf of Intertrust Directors 1 Limited
Director
Date: 28 June 2023
Company number: 02530163

BARCLAYCARD FUNDING PLC

Strategic Report For the Year Ended 31 December 2022

The Directors present the Strategic Report for Barclaycard Funding PLC (the "Company") for the year ended 31 December 2022.

Business review and principal activities

The Company is a special purpose entity ("SPE") set up to issue series of limited recourse medium term notes as part of the securitisation of credit card receivables originated by Barclays Bank UK PLC. As part of the securitisation structure, Barclays Bank UK PLC sells a beneficial interest in a pool of credit card receivables to Gracechurch Card Receivables Trustee Limited (the "Trust", an SPE incorporated in England and Wales), which then issues an investor certificate (collateralised by the credit card receivables) to the Company. The Company funds the purchase of the investor certificate through the issuance of medium term notes to Gracechurch Card Programme Funding PLC, which itself funds the purchase of the medium term notes through the issuance of asset backed securities (collateralised by the medium term notes) under the Medium Term Note Programme ("MTNP"). The Company is considered to be a subsidiary of Barclays Bank UK PLC due to the fact that Barclays Bank UK PLC holds the Company's 'A' Ordinary Shares which gives Barclays Bank UK PLC 51% of the voting rights.

Certain series of medium term notes are subject to a "Call Date" whereby the instruments may be redeemed prior to the final maturity dates. £5.5 billion (2021: £5.3 billion) of the Company's medium term notes are covered under Series 2013-3, Series 2014-2 and 2015-1 final terms of the supplemental base prospectus where an optional call date can be exercised by Gracechurch Card Programme Funding PLC to settle asset backed notes earlier than scheduled maturity date. Gracechurch Card Receivables Trustee Limited will make an early payment to the Company in return for a reduction of the investor certificate at par. The Company would then simultaneously settle at par the medium term notes issued.

The "Call Date" option commenced on 20 November 2013 for 2013-3, 11 November 2014 for Series 2014-2 and 20 November 2015 for Series 2015-1 and expires for Series 2013-3 and 2014-2 on 15 June 2029, and for Series 2015-1 on 15 November 2030. This option can be exercised on any given interest payment date (15th of each month), which would likely result in the investor certificate and subsequently the medium term notes being redeemed at par prior to the scheduled redemption date.

On 17th May 2022, the scheduled redemption dates and final redemption dates on the issued medium term notes and investor certificate were all extended by 5 years (see notes 10 and 12).

As at 31 December 2022, the Company held £5.5 billion (2021: £5.3 billion) interest in investor certificate asset and issued corresponding amount of medium term note certificates (see notes 10 and 12). The investor certificate asset and medium term note liabilities were purchased and issued, respectively, in several Series of offerings. They are expected to be redeemed on the scheduled redemption dates, where the key performance indicators for each Series of notes issued meet criteria set out in the offering documentation. Where these criteria are not met, redemption will take place by their final redemption dates. See note 14 (c), Financial risks, of the accompanying financial statements for detail of the different series of offerings.

The Company is entitled to expense and profit retention reimbursements from Barclays Bank UK PLC as part of its agreed margin. The MTNP stipulates a profit retention requirement of the greater of £1,200 per annum or £600 annually per Series issued. The Company has met this retention requirement for 2021 and 2022.

Business performance

During the year the Company made a profit and total comprehensive income for the year of £2,000 (2021: £2,000). The total net assets were £258,000 (2021: £256,000) and net operating cash outflows were £1,000 (2021: £nil).

BARCLAYCARD FUNDING PLC

Strategic Report (continued) For the Year Ended 31 December 2022

Future outlook

Based upon the performance of the underlying receivables and the related key performance indicators (KPIs) reported in the published investor reports at <https://home.barclays/investor-relations/fixed-income-investors/prospectus-and-documents/secured-funding-securitisation/gracechurch-card-funding/>. The Directors remain confident that the investor certificate will be repaid in full and therefore that the Company will be able to repay the medium term notes in issue in full, along with their interest, at maturity. The Directors intention in the future is to continue issuing additional medium term notes and increasing its interest in the investor certificate when its strategically optimal to do so.

The Directors do not expect there to be any change in the Company's principal activity in the foreseeable future.

Principal risks and uncertainties

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

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

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

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

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

The ERMF defines nine principal risks as:

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

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

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

The principal risk is that the Company is unable to meet its obligations should the interest and principal received on the Company's investment not be sufficient to pay the medium term note holders interest and principal and the associated expenses of the Company. This could arise if the cash flows generated on the investor certificate from the revolving credit card receivables are not sufficient to settle interest and principal due on the medium term notes.

Information on how the Company's Directors manage these risks and uncertainties is explained in note 14 to the accompanying financial statements.

BARCLAYCARD FUNDING PLC

Strategic Report (continued) For the Year Ended 31 December 2022

Key performance indicators (KPIs)

The interest income generated on the investor certificate, the interest costs of the medium term notes and the related operating expenses are the principal components of the Company's operations, which are quantified in the Statement of Profit or Loss and Other Comprehensive Income.

Barclays Bank UK PLC as servicer under the MTNP (and which is represented on the Board of Directors of the Company) monitor a number of key performance indicators such as triggers (including performance of the underlying credit card receivables portfolio, related arrears levels, excess spread, portfolio yield, payment rate and charge off rate), the credit ratings of the notes in issue and the credit worthiness of the counterparties relevant to the Company. These key performance indicators are measured against specified thresholds, and should any key performance indicator approach the specified threshold, there are established management actions that would be implemented in order to maintain the asset-backed bonds ratings. At present, all key performance indicators have significant headroom above the specified thresholds which give comfort to Directors on the performance of the underlying receivables and hence the anticipated performance of the Company. Details of these key performance indicators are available in the published investor reports at <https://home.barclays/investor-relations/fixed-income-investors/prospectus-and-documents/secured-funding-securitisation/gracechurch-card-funding/>.

Section 172(1) statement

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

The Directors considered, amongst other matters, the following:

- the documents governing the financing and other principal transactions to which the Company is party (together, the "programme documentation") have been formulated with the aim of achieving the Company's purpose and business objectives, safeguarding the assets of the Company and promoting the success of the Company;
- in accordance with relevant securitisation legislation the Company is only permitted to retain minimal profit;
- the Company has no employees;
- the Company has appointed various third parties to perform certain roles strictly governed by the programme documentation, fee arrangements agreed in advance;
- as a special purpose vehicle, the Company has no physical presence or operations and accordingly has minimal impact on the community and the environment;
- Barclays Bank UK PLC ("Barclays") holds 75 per cent. of the issued share capital of the Company, representing 51 per cent. of the issued voting share capital and a 49 per cent. entitlement to distributable profits. The remaining issued share capital is all held on a discretionary trust basis for charitable purposes.

You can find out more about who the Barclays Group's key stakeholders are, how management and/or the Directors engaged with them, the key issues raised and actions taken on pages 16 to 20 of the Barclays PLC Annual Report 2022 and also on page 17 to 18 of the Barclays Bank UK PLC Annual Report 2022 (both of which are incorporated by reference into this statement).

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

BARCLAYCARD FUNDING PLC

Strategic Report (continued) For the Year Ended 31 December 2022

Section 172(1) statement (continued)

How does the Board engage with stakeholders?

Depending on the decision in question, the relevance of each particular stakeholder group may differ, and equally the Board adopts a variety of methods of engagement with different stakeholder groups. 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 the Company's operations on, 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, and the information it receives, 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 are an example of how the Directors have had regard to the matters set out in sections 172 (1)(a)-(f) when discharging their section 172 duties and the effect of that on certain of the decisions taken by them.

Engagement in action


Supporting our customers, clients, colleagues and communities through challenging times

In response to unusually large increases to living costs experienced by UK colleagues, Barclays Group brought forward part of the 2023 pay increase, awarding 35,000 UK-based junior colleagues a £1,200 salary increase effective from August 2022, ahead of our annual salary review. In January 2023, Barclays Group worked closely with Unite the Union to agree a 2023 UK pay deal which, combined with the August 2022 increases, brought the total average salary increase for our lowest paid colleagues up to 11%. By doing this, the Barclays Group ensured that the minimum rate of pay in the UK remains well ahead of Living Wage Foundation benchmarks.

Responding to the impacts of the Russian invasion of Ukraine

The impacts of the war are numerous and widespread, with implications for Barclays Group, its clients and customers and other stakeholders. This has resulted in heightened awareness of certain principal risks such as conduct, reputational, compliance and cyber risk. These risks are managed within the established risk framework and key performance indicators remain within the risk appetite defined by the Company.

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

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P H Whitaker
For and on behalf of Intertrust Directors 1 Limited
Director
Date: 28 June 2023
Company number: 02530163

BARCLAYCARD FUNDING PLC

Independent Auditor's Report to the Members of Barclaycard Funding PLC

Opinion

We have audited the financial statements of Barclaycard Funding PLC ("the Company") for the year ended 31 December 2022 which comprise the Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and related notes, including the accounting policies in note 4.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Going concern

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

In our evaluation of the Directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

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

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

BARCLAYCARD FUNDING PLC

Independent Auditor's Report to the Members of Barclaycard Funding PLC (continued)

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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

- Enquiring of Directors and operational management including inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading of Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the calculation of revenue is straightforward with no judgement involved in the calculation, and no pressures or incentives for management to manipulate revenue have been identified.

We did not identify any additional fraud risks.

In determining the audit procedures, we took into account the results of our evaluation and testing of the operating effectiveness of the group-wide fraud risk management controls.

We performed procedures including identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by specific individuals based on set parameters or those containing specific words which were assessed to form part of high-risk criteria.

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

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

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

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

BARCLAYCARD FUNDING PLC

Independent Auditor's Report to the Members of Barclaycard Funding PLC (continued)

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of Company's license to operate. We identified the following areas as those most likely to have such an effect: anti-bribery, employment laws, regulatory capital and certain aspects of company legislation recognising the financial and regulated nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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

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

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

Strategic report and Directors' report

The Directors are responsible for the Strategic report and Directors' report. Our opinion on the financial statements does not cover 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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

BARCLAYCARD FUNDING PLC

Independent Auditor's Report to the Members of Barclaycard Funding PLC (continued)

Directors' responsibilities

As explained more fully in their statement set out 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; 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.



Michael McGarry (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

15 Canada Square
London
E14 5GL

28 June 2023

BARCLAYCARD FUNDING PLC**Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 31 December 2022**

	Note	2022 £000	2021 £000
Continuing operations			
Finance income	6	309,062	31,725
Finance expense	6	(309,530)	(32,564)
		<hr/>	<hr/>
Net finance expense		(468)	(839)
Impairment movement of financial assets		470	841
		<hr/>	<hr/>
Profit before tax		2	2
Tax expense	9	-	-
		<hr/>	<hr/>
Profit for the year		2	2
		<hr/>	<hr/>
Total comprehensive income		2	2
		<hr/> <hr/>	<hr/> <hr/>

The accompanying notes on pages 17 to 37 form an integral part of these financial statements.


BARCLAYCARD FUNDING PLC
Registered number: 02530163

Statement of Financial Position
As at 31 December 2022

	Note	2022 £000	2021 £000
Assets			
Cash and cash equivalents		260	257
Loans and advances at amortised cost	10	5,490,401	5,291,210
Total assets		5,490,661	5,291,467
Liabilities			
Trade and other payables	11	1	-
Current tax liabilities	9	1	1
Borrowings	12	5,490,401	5,291,210
Total liabilities		5,490,403	5,291,211
Net assets		258	256
Issued capital and reserves			
Share capital	13	13	13
Retained earnings		245	243
Total equity		258	256

The accompanying notes on pages 17 to 37 form an integral part of these financial statements.

The financial statements on pages 13 to 37 were approved and authorised for issue by the Board of Directors and were signed on its behalf by:

DocuSigned by:

 E085E4CA491A429...

P H Whitaker
For and on behalf of Intertrust Directors 1 Limited
 Director
 Date: 28 June 2023
 Company number: 02530163

BARCLAYCARD FUNDING PLC**Statement of Changes in Equity
For the Year Ended 31 December 2022**

	Share capital £000	Retained earnings £000	Total equity £000
At 1 January 2022	13	243	256
Comprehensive income for the year			
Profit for the year	-	2	2
	<u>-</u>	<u>2</u>	<u>2</u>
Total comprehensive income for the year			
	<u>-</u>	<u>2</u>	<u>2</u>
At 31 December 2022	<u>13</u>	<u>245</u>	<u>258</u>

	Share capital £000	Retained earnings £000	Total equity £000
At 1 January 2021	13	241	254
Comprehensive income for the year			
Profit for the year	-	2	2
	<u>-</u>	<u>2</u>	<u>2</u>
Total comprehensive income for the year			
	<u>-</u>	<u>2</u>	<u>2</u>
At 31 December 2021	<u>13</u>	<u>243</u>	<u>256</u>

The accompanying notes on pages 17 to 37 form an integral part of these financial statements.

BARCLAYCARD FUNDING PLC**Statement of Cash Flows
For the Year Ended 31 December 2022**

	2022 £000	2021 £000
Continuing operations		
Cash flows from operating activities		
Profit for the year	2	2
Adjustments for		
Impairment movement of financial assets	(470)	(841)
Finance income	(309,062)	(31,725)
Finance expense	309,530	32,564
Net cash from operating activities	-	-
Changes in operating assets and liabilities		
Increase in trade and other payables	11 1	-
Net cash from operating activities	1	-
Cash flows from investing activities		
Interest received	110,340	31,500
Net cash from investing activities	110,340	31,500
Cash flows from financing activities		
Interest paid on convertible loan notes	(110,338)	(31,498)
Net cash used in financing activities	(110,338)	(31,498)
Net cash increase in cash and cash equivalents	3	2
Cash and cash equivalents at the beginning of year	257	255
Cash and cash equivalents at the end of the year	260	257

The accompanying notes on pages 17 to 37 form an integral part of these financial statements.

BARCLAYCARD FUNDING PLC

Notes to the Financial Statements For the Year Ended 31 December 2022

1. Reporting entity

The Company is a public limited company domiciled and incorporated in England. The address of the registered office of the Company is at 1 Churchill Place, London, E14 5HP. 1 Churchill Place, London, E14 5HP. These financial statements are prepared for Barclaycard Funding PLC (the 'Company'), the principal activity of which is to purchase an interest in an investor certificate representing a beneficial interest in assets held by Gracechurch Card Receivables Trustee Limited (the "Trust", a Special Purpose Entity incorporated in the United Kingdom) and to issue medium term notes to Gracechurch Card Programme Funding PLC (a company incorporated in the United Kingdom).

The Company is a special purpose entity ("SPE") set up to issue series of limited recourse medium term notes as part of the securitisation of credit card receivables originated by Barclays Bank UK PLC. The Company funds the purchase of the interest in the investor certificate through the issuance of medium term notes to Gracechurch Card Programme Funding PLC, which itself funds the purchase of the medium term notes through the issuance of asset backed securities (collateralised by the medium term notes). The Company is considered to be a subsidiary of Barclays Bank UK PLC due to the fact that Barclays Bank UK PLC holds the Company's 'A' Ordinary Shares which gives Barclays Bank UK PLC 51% of the voting rights.

The Company is entitled to expense reimbursement and profit retention from Barclays Bank UK PLC as part of its agreed margin. The profit retention requirement of the Company varies for each series of medium term notes issued and is defined in the offering documentation of each series of asset backed notes issued as the 'Series Extra Amount'. The Series Extra Amount is currently defined as being the greater of £1,200 per annum or £600 per Series issued annually multiplied by two the result of which gets divided equally between Gracechurch Card Programme Funding PLC and the Company.

These financial statements are prepared for the Company, in line with the UK Companies Act 2006. The parent undertaking of the smallest group that presents consolidated financial statements is Barclays Bank UK PLC and the ultimate holding company and the parent undertaking of the largest group that presents group financial statements is Barclays PLC, both of which prepare consolidated financial statements in accordance with UK-adopted international accounting standards.

2. Basis of preparation

The financial statements have been prepared in accordance with UK-adopted international accounting standards. The principal accounting policies applied in the preparation of the financial statements are set out below, and in the relevant notes to the financial statements. These policies have been consistently applied. For this reason, the Directors have adopted the going concern basis in preparing these financial statements.

Details of the Company's accounting policies are included in note 4 and changes during the year in note 2.2.

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The areas where judgements and estimates have been made in preparing the financial statements and their effects are disclosed in note 5.

BARCLAYCARD FUNDING PLC

Notes to the Financial Statements For the Year Ended 31 December 2022

2. Basis of preparation (continued)

2.1 Basis of measurement

The financial statements have been prepared on a going concern basis under the historical cost convention modified to include the fair valuation of certain financial instruments to the extent required or permitted under IFRS 9, as set out in the relevant accounting policies.

Going concern

After reviewing the Company's business activities, financial position, performance projections, stress scenario analysis and available banking facilities, the Directors are satisfied that the Company continues to remain of strategic importance for the BBUK Group and has adequate access to resources to enable it to meet its obligations as they fall due and to continue in operational existence for at least the next 12 months from the date of signing these financial statements.

2.2 New and amended standards

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

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

ii) New standards, interpretations and amendments not yet effective

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

2.3 Presentation of the Statement of Financial Position

The Statement of Financial Position has been presented using the liquidity-based approach of presentation. Using this approach results in a more faithful representation given the existence of early call options (note 10) which could result in the settlement of financial assets and liabilities before their scheduled maturity dates.

3. Functional and presentation currency

These financial statements are presented in pound sterling, the currency of the country in which the Company is incorporated. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

4. Summary of significant accounting policies

4.1 Interest

Interest income or expense is recognised on all interest bearing financial assets classified as loans and receivables held at amortised cost 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.

BARCLAYCARD FUNDING PLC

Notes to the Financial Statements For the Year Ended 31 December 2022

4. Summary of significant accounting policies (continued)

4.2 Taxation

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.

The Company has elected to be taxed under The Taxation of Securitisation Companies Regulations 2006 (the "permanent tax") under which the Company is taxed by reference to the amount of profit retained by the Company, as set out in the transaction documentation.

4.3 Financial assets and liabilities

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

Recognition

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

Classification and measurement

Financial assets are classified on the basis of two criteria:

- i) the business model within which financial assets are managed; and
- ii) their contractual cash flow characteristics (whether the cash flows represent 'solely payments of principal and interest' (SPPI)).

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

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

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

Financial assets and liabilities measured at amortised cost

Financial assets are measured at amortised cost if they are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and their contractual cash flows represent SPPI. Financial liabilities are held at amortised cost except for those held for trading or designated at fair value.

BARCLAYCARD FUNDING PLC

Notes to the Financial Statements For the Year Ended 31 December 2022

4. Summary of significant accounting policies (continued)

4.3 Financial assets and liabilities (continued)

Financial assets and liabilities measured at amortised cost (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.

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

Financial assets measured at fair value through other comprehensive income

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

The investor certificate, trade and other receivables and cash and cash equivalents are held at amortised cost. That is, the initial fair value is adjusted for repayments and the amortisation of coupon, fees and expenses to represent the effective interest rate of the asset or liability.

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.

At the reporting date, an allowance is required for the 12 month ECLs. If the credit risk has significantly increased since initial recognition (Stage 2), or if the financial instrument is credit impaired (Stage 3) an allowance (or provision) should be recognised for the lifetime ECLs.

ECL is measured using three main components: (i) probability of default (PD) (ii) loss given default (LGD) and (iii) the exposure at default (EAD). The 12 month ECL is calculated by multiplying the 12 month PD, LGD and the EAD. The 12 month and lifetime PDs represent the PD occurring over the next 12 months and the remaining maturity of the instrument respectively. The EAD represents the expected balance at default, taking into account the repayment of principal and interest from the balance sheet date to the default event together with any expected drawdowns of committed facilities. The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money.

Determining a significant increase in credit risk since initial recognition:

The Company assesses when a significant increase in credit risk has occurred based on quantitative and qualitative assessments. Exposures are considered to have resulted in a significant increase in credit risk and are moved to Stage 2 when:

BARCLAYCARD FUNDING PLC

Notes to the Financial Statements For the Year Ended 31 December 2022

4. Summary of significant accounting policies (continued)

4.3 Financial assets and liabilities (continued)

Quantitative test

The annualised cumulative weighted average lifetime PD has increased by more than an agreed threshold relative to the equivalent at origination.

PD deterioration thresholds are defined as percentage increases, and are set at an origination score band and segment level to ensure the test appropriately captures significant increases in credit risk at all risk levels. Generally, thresholds are inversely correlated to the origination PD, i.e. as the origination PD increases, the threshold value reduces.

The assessment of materiality, i.e. at what point a PD increase is deemed 'significant', is based upon analysis of the portfolios' risk profile against a common set of principles and performance metrics (consistent across both retail and wholesale businesses), incorporating expert credit judgement where appropriate.

A significant deterioration in the performance of the underlying credit card receivables could also result in a significant increase in credit risk.

Qualitative test

Where external credit ratings of the asset-backed notes issued (backed by the medium-term notes issued and the interest in the Investor Certificate purchased by the Company) have been downgraded this may necessitate moving an asset from Stage 1 to 2.

Forward-looking information

Credit losses are the expected cash shortfalls from what is contractually due over the expected life of the financial instrument, discounted at the original effective interest rate (EIR). ECLs are determined by evaluating a possible outcome should the investor certificate enter a rapid amortisation event due to a Barclays Bank UK PLC default.

The measurement of ECL involves increased complexity and judgement, including estimation of PDs, LGD, assumptions of collections and losses on the underlying credit card portfolio in rapid amortisation, estimation of expected lives, and estimation of EAD and assessing significant increases in credit risk. Impairment charges will tend to be more volatile and will be recognised earlier.

Loan modifications and renegotiations that are not credit-impaired

When modification of a loan agreement occurs as a result of commercial restructuring activity rather than due to credit risk of the borrower, an assessment must be performed to determine whether the terms of the new agreement are substantially different from the terms of the existing agreement. This assessment considers both the change in cash flows arising from the modified terms as well as the change in overall instrument risk profile.

Where terms are substantially different, the existing loan will be derecognised and new loan recognised at fair value, with any difference in valuation recognised immediately within the Statement of Profit or Loss and Other Comprehensive Income, subject to observability criteria.

BARCLAYCARD FUNDING PLC

Notes to the Financial Statements For the Year Ended 31 December 2022

4. Summary of significant accounting policies (continued)

4.3 Financial assets and liabilities (continued)

Loan modifications and renegotiations that are not credit-impaired (continued)

Where terms are not substantially different, the loan carrying value will be adjusted to reflect the present value of modified cash flows discounted at the original EIR, with any resulting gain or loss recognised immediately within the income statement as a modification gain or loss.

Expected life

Lifetime ECLs must be measured over the expected life. This is restricted to the maximum contractual life and takes into account expected prepayment, extension, call and similar options. Where data is insufficient or analysis inconclusive, an additional 'maturity factor' may be incorporated to reflect the full estimated life of the exposures, based upon experienced judgement and/or peer analysis. Potential future modifications of contracts are not taken into account when determining the expected life or EAD until they occur.

Discounting

ECLs are discounted at the EIR at initial recognition or an approximation thereof and consistent with income recognition. For variable/floating rate financial assets, the spot rate at the reporting date is used and projections of changes in the variable rate over the expected life are not made to estimate future interest cash flows or for discounting.

Modelling techniques

ECLs are calculated by multiplying three main components, being the PD, LGD and the EAD or by determining the deficiency on the investor certificates, and discounting the result at the original EIR.

For the IFRS 9 impairment assessment, external credit reference data for 'loans and advances at amortised cost' and Barclays Group risk models for the other financial assets are utilised to determine the PD, LGD and EAD. For Stage 2 and 3, Barclays Group applies lifetime PDs but uses 12 month PDs for Stage 1. The ECL drivers of PD, EAD and LGD are modelled at an account level. The assessment of significant increase in credit risk is based on the initial lifetime PD curve, which accounts for the different credit risk underwritten over time.

Netting

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position if, and only if there is a legally enforceable right to set off the recognised amounts in all circumstances and there is an intention to settle on a net basis, or to realise an asset and settle the liability simultaneously.

4.4 Derivative financial instruments

Embedded derivatives

Some hybrid liability contracts contain both a derivative and a non-derivative component. In such cases, the derivative component is termed an embedded derivative. Where the economic characteristics and risks of the embedded derivatives are not closely related to those of the host contract, and the host contract itself is not carried at fair value, the embedded derivative is bifurcated and reported at fair value with gains and losses being recognised in the income statement. Profits or losses cannot be recognised on the bifurcation of an embedded derivative.

BARCLAYCARD FUNDING PLC

Notes to the Financial Statements For the Year Ended 31 December 2022

4. Summary of significant accounting policies (continued)

4.4 Derivative financial instruments (continued)

Embedded derivatives (continued)

The final terms of the supplemental base prospectus in respect of Series 2013-3, 2014-2, 2015-1 have the option of an "Call date" to allow Gracechurch Card Programme Funding PLC to call asset backed notes back from Noteholders on any given Interest Payment Date prior to redemption and upon giving no more than 60 but not less than 30 days' prior notice to the Note Trustee and the Noteholders. Before notice is provided, Gracechurch Card Programme Funding PLC would seek confirmation from the Company that the associated medium term notes would be redeemed on the same date and from the Gracechurch Card Receivables Trustee Limited that the investor certificate can be reduced accordingly. On exercise date the Company would settle the medium term notes and Gracechurch Card Receivables Trustee Limited would reduce the investor certificate at par. This optional "Call date" is considered to be an embedded derivative; however, as this option is part of the final terms of the agreement and requires settlement at par value it is closely related to the host contract and is not bifurcated separately from the investor certificate.

4.5 Share capital and dividends

Share issue costs

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.

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 shareholders.

4.6 Cash and cash equivalents

For the purposes of the Statement of Cash Flows and the Statement of Financial Position, cash comprises of cash at bank.

5. Accounting estimates and judgements

The preparation of financial statements in accordance with UK-adopted international accounting standards 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.

5.1 Critical accounting estimates and assumptions

Classification of investor certificate

Management considered the Company's business model and determined that the investor certificate will be held to collect contractual cash flows only. Management considered that the probability that excess spread will be insufficient is remote so in substance this does not introduce any variability to the investor certificate that is not related to interest and principal. In addition, if the cash flows of the underlying UK credit card receivables are SPPI compliant and the contractual terms of the investor certificate include no non-SPPI features then, as a result the cash flows associated with the excess spread can only be SPPI compliant. As a consequence, it is thus appropriate for the Company to classify the investor certificate as a loan and advance at amortised cost.

BARCLAYCARD FUNDING PLC**Notes to the Financial Statements
For the Year Ended 31 December 2022****6. Finance income and expense**

Finance income and expense have been analysed as follows:

Recognised in profit or loss

	2022 £000	2021 £000
Finance income		
Interest receivable from related parties	309,062	31,725
Total finance income	<u>309,062</u>	<u>31,725</u>
Finance expense		
Interest payable to related parties	309,060	32,570
Effective interest rate adjustment	470	(6)
Total finance expense	<u>309,530</u>	<u>32,564</u>
Net finance expense recognised in profit or loss	<u>(468)</u>	<u>(839)</u>

Finance income includes a non-substantial modification gain of £207.6 million on the investor certificate extension. Finance expense includes a non-substantial modification loss of £207.6 million on the medium term notes extension.

7. Profit before tax

The audit fees of £55,000 for the 2022 year end (2021: £51,050) have been borne by the Company's parent, Barclays Bank UK PLC, and have not been recharged to the Company. This fee is not recognised as an expense in the financial statements of the Company.

8. Employee and key management, including Directors

There were no persons employed by the Company during the year (2021: nil).

Key management personnel compensation

None of the Directors were directly remunerated by the Company in respect of their services to the Company during the year. However, a fee was paid by Barclays Bank UK PLC to Intertrust Management Limited in relation to the services provided by Intertrust Directors 1 Limited. No Director exercised options under the Barclays PLC Sharesave Scheme and Long Term Incentive Schemes during 2022 (2021: nil).

In relation to the other Directors, their service to this Company was performed as part of their employment by Barclays Bank UK PLC or Barclays Execution Services Limited in its role as controlling party and no remuneration was earned for qualifying services to the Company. Barclays Bank UK PLC or Barclays Execution Services Limited has not recharged this Company for the cost of this service (see note 16).

BARCLAYCARD FUNDING PLC**Notes to the Financial Statements
For the Year Ended 31 December 2022****9. Tax expense****9.1 Income tax recognised in profit or loss**

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:

	2022 £000	2021 £000
Profit for the year	2	2
Profit before income taxes	2	2
Tax charge at average UK corporation tax rate of 19% (2021:19%)	-	-
Total tax expense	-	-

Changes in tax rates and factors affecting the future tax charges

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

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

9.2 Current tax liabilities

	2022 £000	2021 £000
UK corporation tax payable	1	1

10. Loans and advances at amortised cost

Loans and advances at amortised cost consist of investor certificates and comprise the following:

	2022 £000	2021 £000
Investor certificate	5,479,762	5,291,092
Impairment allowance investor certificate	(616)	(1,086)
Interest accrued on investor certificate	11,255	1,204
Loans and advances at amortised cost	5,490,401	5,291,210

BARCLAYCARD FUNDING PLC**Notes to the Financial Statements
For the Year Ended 31 December 2022****10. Loans and advances at amortised cost (continued)**

The investor certificate is expected to be partially redeemed on the scheduled redemption dates of the various medium term notes where the key performance indicators meet criteria set out in the offering circulars for each Series of notes issued. Where these criteria are not met, partial redemption is expected to take place by their respective final legal maturity dates. The redemption dates assume the call option (explained below) has not been exercised before the scheduled redemption date.

Certain series of medium term notes are subject to a "Call Date" whereby the instruments may be redeemed prior to the final maturity dates. £5.30 billion of the Company's medium term notes are covered under Series 2013-3, Series 2014-2 and Series 2015-1 final terms of the supplemental base prospectus where an optional call date can be exercised by Gracechurch Card Programme Funding PLC to settle asset backed notes earlier than the scheduled maturity date upon giving no more than 60 but not less than 30 days' prior notice to the Note Trustee and the Noteholders. Gracechurch Card Receivables Trustee Limited will make an early payment to the Company in return for a reduction of the investor certificate at par. The Company would then simultaneously settle at par the medium term notes issued (see note 12).

The "Call Date" option commenced on:

- (1) 20 November 2013 for Series 2013-3 (expires 15 June 2029);
- (2) 11 November 2014 for Series 2014-2 (expires 15 June 2029); and
- (3) 20 November 2015 for Series 2015-1 (expires 15 November 2030).

This option can be exercised on any interest payment date (15th of each month). As explained above, this could result in the reduction of the investor certificate and early redemption of the medium term notes at par before the scheduled redemption date.

On 17th May 2022, the scheduled redemption dates and final redemption dates on the issued medium term notes and investor certificate were all extended by 5 years:

Series	Scheduled redemption date 2022	Final redemption date 2022	Scheduled redemption date 2021	Final redemption date 2021
Investor certificate	15 Nov 2028	15 Nov 2030	15 Nov 2023	17 Nov 2025

in order to determine whether the modification was substantial, management performed a qualitative and quantitative analysis. As the modification involved the simultaneous restructuring of all the medium term notes and asset-backed notes in issue, the analysis was performed in aggregate. Following the analysis, management concluded that the modification did not represent a substantial modification. As a result of this determination, the Company recognised a gain on the investor certificate, totalling £207.6 million.

BARCLAYCARD FUNDING PLC**Notes to the Financial Statements
For the Year Ended 31 December 2022****11. Trade and other payables**

Trade and other payables has been analysed as follows:

	2022 £000	2021 £000
Amounts due to related party	1	-
Total	1	-

12. Borrowings

Borrowings consist of medium term notes and are made up as follows:

Series and date of notes	Scheduled redemption date	Final redemption date	2022 £000	2021 £000	Interest rate payable 2022	Interest rate payable 2021
Medium term note Series 2013-3 (20 Nov 2013)	15 Jun 2027	15 Jun 2029	1,674,121	1,643,906	SONIA plus 1.1750%	SONIA plus 0.3835%
Medium term note Series 2014-2 (11 Nov 2014)	15 Jun 2027	15 Jun 2029	1,956,248	1,886,893	SONIA plus 1.1840%	SONIA plus 0.3826%
Medium term note Series 2015-1 (20 Nov 2015)	15 Nov 2028	15 Nov 2030	1,849,393	1,760,293	SONIA plus 1.3450%	SONIA plus 0.4074%
Interest accrued on medium term note	Not applicable	Not applicable	11,255	1,204	Not applicable	Not applicable
Effective interest rate adjustment	Not applicable	Not applicable	(616)	(1,086)	Not applicable	Not applicable
Total			5,490,401	5,291,210		

The medium term notes are expected to be redeemed on the scheduled redemption dates where the key performance indicators meet criteria set out in the offering circulars for each series of notes issued. Where these criteria are not met, redemption is expected to take place by the final redemption date. The redemption dates assume the call option (see note 10) has not been exercised before the scheduled redemption date.

If the "Call Date" in accordance with the final terms agreement of certain investor certificates are exercised resulting in the partial redemption of investor certificate at par prior to the scheduled redemption date, the Company would then simultaneously settle, at par, the medium term notes issued (See note 10 for the call option description).

BARCLAYCARD FUNDING PLC**Notes to the Financial Statements
For the Year Ended 31 December 2022****12. Borrowings (continued)**

On 17th May 2022, the scheduled redemption dates and final redemption dates on the issued medium term notes and investor certificate were all extended by 5 years:

Series and date of notes	Scheduled redemption date 2022	Final redemption date 2022	Scheduled redemption date 2021	Final redemption date 2021
Medium term note Series 2013-3 (20 Nov 2013)	15 Jun 2027	15 Jun 2029	15 Jun 2022	17 Jun 2024
Medium term note Series 2014-2 (11 Nov 2014)	15 Jun 2027	15 Jun 2029	15 Jun 2022	17 Jun 2024
Medium term note Series 2015-1 (20 Nov 2015)	15 Nov 2028	15 Nov 2030	15 Nov 2023	17 Nov 2025

In order to determine whether the modification was substantial, management performed a qualitative and quantitative analysis. As the modification involved the simultaneous restructuring of all the medium term notes and asset-backed notes in issue, the analysis was performed in aggregate. Following the analysis, management concluded that the modification did not represent a substantial modification. As a result of this determination, the Company recognised a loss on the medium term notes, totalling £207.6 million.

13. Share capital**Issued and fully paid**

	2022 Number	2021 Number
A shares of £1.00 each		
At 1 January and 31 December	<u>2</u>	<u>2</u>

Issued and partly paid

	2022 Number	2022 £000	2021 Number	2021 £000
A shares of £1.00 each				
At 1 January and 31 December	<u>37,498</u>	<u>9</u>	<u>37,498</u>	<u>9</u>

BARCLAYCARD FUNDING PLC**Notes to the Financial Statements
For the Year Ended 31 December 2022****13. Share capital (continued)**

	2022 Number	2022 £000	2021 Number	2021 £000
B shares of £1.00 each				
At 1 January and 31 December	12,500	3	12,500	3

The holders of the A ordinary shares are entitled to exercise 51% of the total votes, to receive, in aggregate, 49% of any dividend declared and to receive 49% of the assets available for distribution on the winding up of the Company. The holders of the A ordinary shares may also appoint up to two Directors of the Company. The holders of the B ordinary shares are entitled to exercise 49% of the total votes, to receive, in aggregate, 51% of any dividend declared and to receive 51% of the assets available for distribution on the winding up of the Company. The holders of the B ordinary shares may also appoint one Director of the Company.

14. Financial risks

The Company's activities expose it to a variety of financial risks. These are primarily credit risk, liquidity risk and market risk, (which includes interest rate risk and foreign currency risk).

The Company's Directors follow the risk management policies of Barclays Bank UK PLC because the Company is controlled, under IFRS, by Barclays Bank UK PLC and is consolidated into the financial statements of Barclays Bank UK PLC as they consider these policies to be the most appropriate ones for the Company. These policies include specific guidelines on the management of interest rate and credit risks and advice on the use of financial instruments to manage them. The Board of Directors monitors the Company's financial risks and has responsibility for ensuring effective risk management and control.

The Company's financial instruments comprise of loans and advances at amortised cost (interests in investor certificates), borrowings (medium term notes), cash and trade payables that arise directly from its operations. It is, and has been throughout the year, the Company's policy that no trading in financial instruments shall be undertaken. The main risks arising from the Company's financial instruments are interest rate risk and credit risk. The Board reviews and agrees policies for managing these risks as summarised below.

a) Credit risk

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

The Company assesses all counterparties for credit risk before contracting with them. The Company's investor certificates are issued by the Trust and represent a beneficial interest in a portfolio of underlying credit card receivables. They entitle the Company to payments of interest and principal from collections on the underlying receivables. Therefore, the Company's credit risk is that the cash generated by the investor certificate and credit enhancement (the buffer of excess credit card receivables assigned to the Receivables Trust) will not be sufficient for the Company to be able to meet its debts as they fall due. Any funds placed on deposit with the Trust are also subject to the risk of the deposit taking institution becoming insolvent. This risk is managed by the Trust through novating the deposit accounts to a new deposit taking institution with acceptable external ratings when necessary.

BARCLAYCARD FUNDING PLC**Notes to the Financial Statements
For the Year Ended 31 December 2022****Maximum exposure to credit risk**

The Company's maximum exposure to credit risk is reflected by the amounts disclosed in the Statement of Financial Position. The following table shows the maximum exposure to credit risk at 31 December:

	2022	2021
	£000	£000
Cash and cash equivalents	260	257
Loans and advances at amortised cost	5,490,401	5,291,210
Total maximum exposure	5,490,661	5,291,467

The Company's loans and receivables comprise investor certificates, which is ultimately collateralised by an underlying portfolio of credit card receivables. Its borrowings, comprising the medium term notes, are collateralised by the investor certificates.

Financial assets subject to credit risk

For the purposes of the Company's disclosures regarding credit quality, financial assets subject to credit risk relate to the investor certificate issued by the Trust, (which in turn is dependent on underlying credit card receivables to the investor certificate) and cash at bank. Collections received on the revolving credit card receivables are used to settle principal and interest due on the investor certificate.

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

As at 31 December 2022	Stage 1	Stage 2	Stage 3	Total
	£000	£000	£000	£000
Gross exposure				
Cash and cash equivalents	260	-	-	260
Loans and advances at amortised cost	5,491,017	-	-	5,491,017
Total	5,491,277	-	-	5,491,277
	Stage 1	Stage 2	Stage 3	Total
	£000	£000	£000	£000
Impairment allowance				
Cash and cash equivalents	-	-	-	-
Loans and advances at amortised cost	(616)	-	-	(616)
Total	(616)	-	-	(616)
	Stage 1	Stage 2	Stage 3	Total
	£000	£000	£000	£000
Net exposure				
Cash and cash equivalents	260	-	-	260
Loans and advances at amortised cost	5,490,401	-	-	5,490,401
Total	5,490,661	-	-	5,490,661

BARCLAYCARD FUNDING PLC**Notes to the Financial Statements
For the Year Ended 31 December 2022****a) Credit risk (continued)****Financial assets subject to credit risk (continued)**

As at 31 December 2021	Stage 1	Stage 2	Stage 3	Total
	£000	£000	£000	£000
Gross exposure				
Cash and cash equivalents	257	-	-	257
Loans and advances at amortised cost	5,292,296	-	-	5,292,296
Total	5,292,553	-	-	5,292,553

	Stage 1	Stage 2	Stage 3	Total
	£000	£000	£000	£000
Impairment allowance				
Cash and cash equivalents	-	-	-	-
Loans and advances at amortised cost	(1,086)	-	-	(1,086)
Total	(1,086)	-	-	(1,086)

	Stage 1	Stage 2	Stage 3	Total
	£000	£000	£000	£000
Net exposure				
Cash and cash equivalents	257	-	-	257
Loans and advances at amortised cost	5,291,210	-	-	5,291,210
Total	5,291,467	-	-	5,291,467

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. In addition to considering performance of the underlying credit card receivables and the Trust Principal Funding Account and the ability of the Trust to pay interest/principal on the investor certificate, cash flow measurements and projections for the next day, week and month are also reviewed, as these are key periods for liquidity management.

BARCLAYCARD FUNDING PLC**Notes to the Financial Statements
For the Year Ended 31 December 2022****b) Liquidity risk (continued)****Contractual maturity of financial assets and liabilities on an undiscounted basis**

The table below presents the payment profile of the financial assets and liabilities taking contractual maturities and early redemption into account where this option is available at the Statement of Financial Position date. The amounts disclosed in the table are the contractual undiscounted cash flows (principal and interest) of all financial assets and liabilities.

31 December 2022	<1 mth	1-3 mths	3 mths-1 yr	1-5 yrs	>5 yrs	Total
	£000	£000	£000	£000	£000	£000
Cash and cash equivalents	260	-	-	-	-	260
Loans and advances at amortised cost	20,139	5,318,696	-	-	-	5,338,835
Borrowings	(20,139)	(5,318,696)	-	-	-	(5,338,835)
Other liabilities	(2)	-	-	-	-	(2)
Total	258	-	-	-	-	258

31 December 2021	<1 mth	1-3 mths	3 mths-1 yr	1-5 yrs	>5 yrs	Total
	£000	£000	£000	£000	£000	£000
Cash and cash equivalents	257	-	-	-	-	257
Loans and advances at amortised cost	2,156	5,300,712	-	-	-	5,302,868
Borrowings	(2,156)	(5,300,712)	-	-	-	(5,302,868)
Other liabilities	(1)	-	-	-	-	(1)
Total	256	-	-	-	-	256

The Company's borrowings are limited recourse and therefore only repayable to the extent the Company receives payments under the medium term notes held by it.

If Gracechurch Card Programme Funding PLC sends a notice under the early call option to Noteholders to settle the asset backed notes ahead of scheduled maturity date, the medium term notes will be settled simultaneously and the investor certificate will be reduced to fund the repayment to the Noteholders at par.

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.

BARCLAYCARD FUNDING PLC**Notes to the Financial Statements
For the Year Ended 31 December 2022****Interest rate risk**

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

The Company finances its operations through the issue of medium term notes, which are denominated in pounds sterling at floating rates of interest. Interest incurred on borrowings are matched with interest earned on sterling-denominated (GBP) loans and advances at amortised cost (investor certificate).

Series	Rates receivable on notes	Rates payable on notes	Scheduled redemption date
Investor certificate	SONIA plus 1.2348%		15 Nov 2028
Medium term note Series 2013-3 (20 Nov 2013)		SONIA plus 1.1750%	15 Jun 2027
Medium term note Series 2014-2 (11 Nov 2014)		SONIA plus 1.1840%	15 Jun 2027
Medium term note Series 2015-1 (20 Nov 2015)		SONIA plus 1.3450%	15 Nov 2028

Interest rate sensitivity gap analysis

The sensitivity of the Statement of Profit or Loss and Other Comprehensive Income 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 liabilities held at 31 December.

Impact of net interest income

The impact of a 25 basis point increase or decrease in interest rates on net interest income is as follows:

	2022 +25 basis points £000	2022 -25 basis points £000	2021 +25 basis points £000	2021 -25 basis points £000
Loans and advances at amortised cost	13,246	(13,246)	13,246	(13,246)
Borrowings	(13,246)	13,246	(13,246)	13,246
Total	-	-	-	-

Re-pricing occurs on a monthly basis, with changes in the SONIA rates for the series in line with the interest rate table above.

BARCLAYCARD FUNDING PLC**Notes to the Financial Statements
For the Year Ended 31 December 2022****15. 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 tables summarises the fair value of financial assets and liabilities measured at amortised cost on the Company's Statement of Financial Position where the carrying amount is a reasonable approximation of fair value and analyses those fair values:

	Carrying value	Fair value	Carrying value	Fair value
	2022	2022	2021	2021
	£000	£000	£000	£000
Financial assets				
Loans and advances at amortised cost	5,490,401	5,490,401	5,291,210	5,291,210
	<u>5,490,401</u>	<u>5,490,401</u>	<u>5,291,210</u>	<u>5,291,210</u>
Financial liabilities				
Borrowings	5,490,401	5,490,401	5,291,210	5,291,210
	<u>5,490,401</u>	<u>5,490,401</u>	<u>5,291,210</u>	<u>5,291,210</u>

The loans and advances at amortised cost and borrowings have been valued at amortised cost as it is a reasonable approximation of fair value given the existence of early call options.

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.

Valuations based on observable inputs**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.

BARCLAYCARD FUNDING PLC

Notes to the Financial Statements For the Year Ended 31 December 2022

15. Fair value measurement (continued)

Valuations based on unobservable inputs

Valuation technique using significant unobservable inputs - Level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

The carrying value of the loans and advances and borrowings are reasonable approximation of the fair value, therefore fair value hierarchies have not been presented for 2022 and 2021.

16. Related party transactions

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

The definition of related parties includes parent company, ultimate parent company, subsidiary, associated and joint venture companies, as well as the Company's key management which includes its Directors.

Intertrust Management Limited holds 12,500 B ordinary shares in the Company which represents 100% ownership of that class of shares and entitles it to 49% of the total voting rights and 51% of the distributions. Intertrust Management Limited holds the B ordinary shares on a discretionary trust basis for the benefit of certain charities.

Barclays Bank UK PLC owns 100% of the A ordinary shares in the Company which entitles it to 51% of the total voting rights and 49% of the distributions. The Company receives Directors services, administration, finance, tax and other support from Barclays Bank UK PLC for which no charges are made.

BARCLAYCARD FUNDING PLC**Notes to the Financial Statements
For the Year Ended 31 December 2022****16. Related party transactions (continued)****16.1 Other related party transactions**

Particulars of transactions, and the balances outstanding at the year end, are disclosed in the table below:

Related party relationship	Type of transaction	Transaction amount		Balance outstanding	
		2022 £000	2021 £000	2022 £000	2021 £000
Barclays Bank UK PLC	Cash at bank	-	-	260	257
Gracechurch Card Receivables Trustee Limited	Loans and advances at amortised cost	-	-	5,490,401	5,290,210
Barclays Bank UK PLC	Trade and other payables	-	-	(1)	-
Gracechurch Card Programme Funding PLC	Borrowings	-	-	(5,490,401)	(5,290,210)
Gracechurch Card Receivables Trustee Limited	Interest earned on loans and advances at amortised cost	309,058	31,721	-	-
Barclays Bank UK PLC	Interest earned on loans and advances at amortised cost	4	4	-	-
Gracechurch Card Programme Funding PLC	Interest on borrowings	(309,060)	(31,723)	-	-
Gracechurch Card Programme Funding PLC	Effective interest rate adjustment movement of financial liabilities	(470)	(841)	-	-
Gracechurch Card Receivables Trustee Limited	Impairment movement of financial assets	470	841	-	-
Total		<u>2</u>	<u>2</u>	<u>259</u>	<u>257</u>

Note

- a. A fee of £9,145 (2021: £11,137) was paid by Barclays Bank UK PLC to Intertrust Management Limited for the provision of corporate administration services, including the provision of Director services by Intertrust Directors 1 Limited.

BARCLAYCARD FUNDING PLC**Notes to the Financial Statements
For the Year Ended 31 December 2022****17. Capital management**

The Company's objectives when managing capital are:

- To safeguard the Company's ability to continue as a going concern.
- To maintain an optimal capital structure in order to reduce the cost of capital.

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:

	2022 £000	2021 £000
Called up share capital	13	13
Retained earnings	245	243
Total capital resources	258	256

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.

The Company does not have externally imposed capital requirements to which it is subject. The Company aims to maintain a minimum level of capital equivalent to the share capital issued in the Company. The Company currently maintains capital in excess of the minimum requirements required by the Directors.

18. Parent undertaking and ultimate holding company

The Company is a subsidiary undertaking of Barclays Bank UK PLC which is the immediate parent company incorporated in the United Kingdom and registered in England. The ultimate controlling party is Barclays PLC.

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 UK 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.