

BARCLAYS CCP FUNDING LLP
Members' Annual Report and Financial Statements
For the year ended 31 December 2018

Registered No: OC359024



Barclays CCP Funding LLP
Members' Annual Report and Financial Statements
For the year ended 31 December 2018

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**Barclays CCP Funding LLP
Members' Annual Report
For the year ended 31 December 2018
Registered Number OC359024**

Barclays Bank PLC and Barclays Shea Limited (each a 'Member' or together the 'Members') present their Annual Report together with the audited financial statements of Barclays CCP Funding LLP (the 'Partnership' or 'LLP') for the year ended 31 December 2018.

Results

During the year ended 31 December 2018 the Partnership made a profit of \$2,572 (2017: \$1,200). The Partnership has net assets of \$10,003,983 (2017: \$10,001,000).

Post balance sheet events

There have been no post balance sheet events after the year ended 31 December 2018.

Members

The Partnership was formed under a limited liability partnership deed (the 'LLP Deed') entered into on 18 November 2010 between:

- 1) Barclays Bank PLC; and
- 2) Barclays Shea Limited

The Members act as the Designated Members of the Partnership. In accordance with the terms of the LLP Deed, the Partnership is managed by an LLP Management Committee which is comprised of individual representatives of Barclays Bank PLC, as follows:

John Feraca
Andrew Goss (resigned 4 May 2018)
Dov Kanofsky
Michael Manna (resigned 20 August 2019)
Andrew Diplock (appointed 20 August 2019)
Bhavin Parmar (resigned 4 May 2018)
George Van Schaick
Richard Strudwick

and of individual representatives of Barclays Shea Limited as follows:

Michael Manna (resigned on 20 August 2019)
Andrew Diplock (appointed on 20 August 2019)
Mark Newton
Richard Strudwick
Dov Kanofsky
George Van Schaick
Andrew Goss (resigned 4 May 2018)
Bhavin Parmar (resigned 4 May 2018)
Paivi Helena Whitaker

**Barclays CCP Funding LLP
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Going concern

After reviewing the Partnership's performance projections, the available banking facilities and taking into account the support available from Barclays Bank PLC, the Members are satisfied that the Partnership 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 Members have adopted the going concern basis in preparing these financial statements.

Statement of members' responsibilities in respect of the financial statements

The members are responsible for preparing the Members' Annual Report and the financial statements in accordance with applicable law and regulations.

The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 require the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with IFRSs as adopted by the EU and applicable law.

Under Regulation 8 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 the members 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 LLP and of its profit or loss for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- assess the LLP'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 LLP or to cease operations, or have no realistic alternative but to do so.

Under Regulation 6 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, the members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that its financial statements comply with those regulations. 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 LLP and to prevent and detect fraud and other irregularities.

Financial Risk Management

The Partnership follows Barclays Bank PLC's financial risk management objectives and policies including the policy for hedging the exposure to liquidity risk, credit risk, market risk and interest rate risk and these are set out in pages 19-23 of the financial statements.

The Partnership's activities are exposed to a variety of financial risks. The Partnership 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 Partnership is exposed to are outlined in Note 17.

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In accordance with the rules of the Financial Conduct Authority and/or Prudential Regulation Authority, the Partnership's parent, Barclays Bank PLC has published information on its risk management objectives and policies and on its regulatory capital requirements and resources. This information is available at <http://group.barclays.com/Investor-Relations/Financial-results-and-publications/Annual-Reports>.

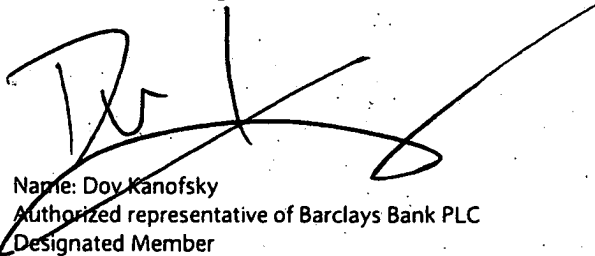
Independent Auditor

KPMG LLP has been appointed by the Partnership to hold office in accordance with section 487 of the Companies Act 2006.

Statement of disclosure of information to Auditor

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

For and on behalf of
Barclays CCP Funding LLP



Name: Dov Kanofsky
Authorized representative of Barclays Bank PLC
Designated Member
Date: 29th August 2019

**Barclays CCP Funding LLP
Strategic Report
For the year ended 31 December 2018**

The Members present their strategic report for the Partnership for the year ended 31 December 2018.

Review and principal activities

The principal activity of the Partnership is to provide funding to the Partnership's affiliates and subsidiaries of Barclays Bank PLC. Barclays Bank PLC raises funds by way of issuing Collateralized Notes and in certain circumstances co-issued by Barclays US CCP Funding LLC to investors and then lends the issuance proceeds to the Partnership, which enters into market standard reverse repurchase agreements with its affiliates and members.

Business performance

The Partnership's business performance during the year ended 31 December 2018 is detailed on Page 2 of the Members' Report.

Future outlook

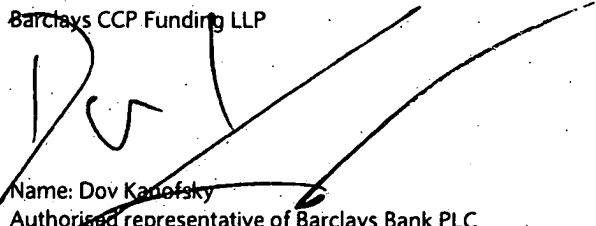
No significant change in this activity is envisaged in the foreseeable future and the Members expect the Partnership's future performance to be in line with the current year.

The Members have reviewed the Partnership's business and performance and consider it to be satisfactory for the year. The Members consider that the Partnership's position at the end of the year is consistent with the size and complexity of the business.

Principal risks and uncertainties

The Partnership's activities expose it to a variety of risks as set out in Note 17 of the financial statements. The Members devote 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.

For and on behalf of:
Barclays CCP Funding LLP



Name: Dov Kapofsky
Authorised representative of Barclays Bank PLC
Designated Member
Date: 29th August 2019
Company number OC359024

Barclays CCP Funding LLP
Independent Auditors' Report to the Members of Barclays CCP Funding LLP
For the year ended 31 December 2018

Opinion

We have audited the financial statements of Barclays CCP Funding LLP ("the LLP") for the year ended 31 December 2018 which comprise the Income Statement, Balance Sheet, Statement of Changes in Equity and Statement of Cash Flows and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view, of the state of affairs of the LLP as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the EU; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

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 LLP 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.

The impact of uncertainties due to the UK exiting the European Union on our Audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the partnership's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the partnership's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

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

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

Barclays CCP Funding LLP
Independent Auditors' Report to the Members of Barclays CCP Funding LLP
For the year ended 31 December 2018

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

Other information

The members are responsible for the other information, which comprises the Members' annual report and Strategic report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the other information 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 other information.

Matters on which we are required to report by exception

Under the Companies Act 2006 as applied to limited liability partnerships 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
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Members' responsibilities

As explained more fully in their statement set out on page 3, the members 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 LLP'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 LLP 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.

Barclays CCP Funding LLP
Independent Auditors' Report to the Members of Barclays CCP Funding LLP
For the year ended 31 December 2018

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the members of the LLP, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as required by Regulation 39 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP'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 LLP and the LLP's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Richard Smith

Richard Smith (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London E14 5GL

29 AUGUST 2019

Barclays CCP Funding LLP
INCOME STATEMENT
For the year ended 31 December 2018

	Note	2018 \$'000	2017 \$'000
Continuing operations:			
Interest Income	3	3	17,453
Interest Expense	4	-	(17,452)
Net interest income		3	1
Net trading income	5	-	-
Net income		<u>3</u>	<u>1</u>
Result on ordinary activities before taxation		3	1
Taxation		-	-
Result for the year		<u>3</u>	<u>1</u>

The result for the year is derived from continuing activities. All recognized 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 from pages 13 to 25 form an integral part of these financial statements.

Barclays CCP Funding LLP
BALANCE SHEET
For the year ended 31 December 2018

	Note	2018	2017
		\$'000	\$'000
Assets			
Current assets			
Cash and cash equivalents	10	10,004	10,001
Financial assets at fair value	11	16,549,899	10,677,065
Reverse repurchase agreements	12	-	5,495,304
Other Receivables		-	500,292
Total current assets		16,559,903	16,682,662
Non-current assets			
Financial assets at fair value	11	1,286,131	163,809
Reverse repurchase agreements	12	-	500,061
Total non-current assets		1,286,131	663,870
Total assets		17,846,034	17,346,532
Liabilities			
Current liabilities			
Financial liabilities at fair value	13	(16,549,899)	(10,677,065)
Borrowings	14	-	(5,495,304)
Other Creditors		-	(500,292)
Total current liabilities		(16,549,899)	(16,672,661)
Non-current liabilities			
Financial liabilities at fair value	13	(1,286,131)	(163,809)
Borrowings	14	-	(500,061)
Total non-current liabilities		(1,286,131)	(663,870)
Total Liabilities		(17,836,030)	(17,336,531)
Net assets attributable to Members			
Members' capital	15	(10,000)	(10,000)
Retained Earnings		(4)	(1)
Total members' equity		(10,004)	(10,001)

The accompanying notes from pages 13 to 25 form an integral part of these financial statements.

The financial statements were approved by the members and authorised for issue on 29th August 2019 and were signed on behalf of the members by:


Dov Kahofsky

Authorised representative for Barclays Bank PLC

Designated Member

Date: 29th August 2019

Company number OC359024

Barclays CCP Funding LLP
STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2018

	Members' capital \$'000	Retained earnings \$'000	Total members' equity \$'000
Balance at 1 January 2018	10,000	1	10,001
Issuance of members' capital	-	-	-
Profit for the year	-	3	3
Balance at 31 December 2018	10,000	4	10,004

	Members' capital \$'000	Retained earnings \$'000	Total members' equity \$'000
Balance at 1 January 2017	10,000	-	10,000
Issuance of members' capital	-	-	-
Profit for the year	-	1	1
Balance at 31 December 2017	10,000	1	10,001

The accompanying notes from pages 13 to 25 form an integral part of these financial statements.

Barclays CCP Funding LLP
STATEMENT OF CASH FLOWS
For the year ended 31 December 2018

	Note	2018 \$'000	2017 \$'000
<i>Cash flows from operating activities</i>			
Profit before Taxation		3	1
Net (increase)/decrease in financial assets at fair value through the income statement		(999,791)	(7,162,518)
Net (increase)/decrease in reverse repurchase agreements		-	(2,874,175)
Net increase /(decrease) in financial liabilities at fair value through the income statement		999,791	7,162,518
Net increase/(decrease) in borrowings		-	2,874,175
Net increase in cash and cash Equivalents		3	1
Cash and cash equivalents at 1 January		10,001	10,000
Cash and cash equivalents at 31 December		10,004	10,001
Cash and cash equivalents comprise:			
Cash at bank	10	10,004	10,001

The accompanying notes from pages 13 to 25 form an integral part of these financial statements.

Barclays CCP Funding LLP
NOTES TO THE REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2018

1. REPORTING ENTITY

The financial statements are prepared for Barclays CCP Funding LLP (the 'Partnership' or 'LLP') and are prepared for the Partnership only in line with the Companies Act 2006 as applied to limited liability partnerships in accordance with the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. The Members of the Partnership are Barclays Bank Plc ('BBPLC') and Barclays Shea Limited, a wholly owned subsidiary of BBPLC. Consequently, the Partnership is a wholly owned subsidiary of BBPLC and its ultimate controlling company is Barclays PLC, both of which prepare consolidated financial statements in accordance with International Financial Reporting Standards ('IFRS'). Barclays Capital Inc ('BCI') and Barclays Capital Securities Limited ('BCSL') act as the Partnership's affiliates and are subsidiaries of BBPLC. The principal activity of the Partnership is to provide funding to the Partnership's affiliates and subsidiaries of Barclays Bank PLC. Barclays Bank PLC raises funds by way of issuing Collateralized Notes and in certain circumstances co-issued by Barclays US CCP Funding LLC to investors and then lends the issuance proceeds to the Partnership, which enters into market standard reverse repurchase agreements with its affiliates and members.

Barclays CCP Funding LLP is a limited liability partnership formed and domiciled in England. The Partnership's registered office is:

1 Churchill Place
London
E14 5HP
England

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Compliance with International Financial Reporting Standards

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

(b) Basis of preparation

The financial statements have been prepared under the historical cost convention modified to include the fair valuation of certain financial instruments to the extent required or permitted under IAS 39, 'Financial Instruments, recognition, and measurement' for hedges and IFRS 9 'Financial Instruments as set out in the relevant accounting policies. They are presented in thousands of US dollars, which is the Partnership's functional and presentation currency.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the accounting policies.

Barclays CCP Funding LLP
NOTES TO THE REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2018

(c) Going concern

After reviewing the Partnership's performance and taking into account the support available from BBPLC, the Members are satisfied that the Partnership 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 Members have adopted the going concern basis in preparing these financial statements.

(d) New and amended standards

The accounting policies adopted are consistent with those of the previous financial year, with the exception of the adoption of IFRS 9 Financial Instruments.

IFRS 9 – Financial Instruments

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 introduces key changes in the following areas:

- Classification and measurement – requiring asset classification and measurement based upon both business model and product characteristics.
- Impairment – introducing an expected credit loss model using forward looking information which replaces an incurred loss model.

The expected credit loss model introduces a three-stage approach to impairment as follows:

- Stage 1 – the recognition of 12 month expected credit losses (ECL), that is the portion of lifetime expected credit losses from default events that are expected within 12 months of the reporting date, if credit risk has not increased significantly since initial recognition;
- Stage 2 – lifetime expected credit losses for financial instruments for which credit risk has increased significantly since initial recognition; and
- Stage 3 – lifetime expected credit losses for financial instruments which are credit impaired

Additional details in respect of impact on account of transition to IFRS 9 are detailed in Note 20.

(e) Foreign Currency Translation

Items included in the financial statements of the LLP are measured using their functional currency, being Dollar (\$) the currency of the primary economic environment in which the entity operates.

Foreign currency transactions are translated into dollar 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 except for qualifying cash flow hedges or hedges of net investments.

Non-monetary assets that are measured at fair value are translated using the exchange rate at the date that the fair value was determined. Exchange differences on equities and similar non-monetary items held at fair value through profit or 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.

(f) Interest

Interest income or expense is recognised on all interest bearing financial instruments using the effective interest rate method.

Barclays CCP Funding LLP
NOTES TO THE REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2018

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, 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.

(g) Cash and cash equivalents

For the purposes of the cash flow statement, cash comprises cash in 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

(h) Financial assets and liabilities at fair value

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

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 measured at amortised cost

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

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

Barclays CCP Funding LLP
NOTES TO THE REPORT AND FINANCIAL STATEMENTS
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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.

In accordance with IFRS 9, financial liabilities may be designated at fair value, with gains and losses taken to the income statement in Net trading income. The Partnership has the ability to make the fair value designation when holding the instruments at fair value reduces an accounting mismatch (caused by an offsetting asset being held at fair value), or is managed by the Partnership on the basis of its fair value, or includes terms that have substantive derivative characteristics

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

Valuation technique

Where the classification of a financial instrument requires it to be stated at fair value, this is determined by discounted cash flows, in which all significant inputs are observable, or can be corroborated by observable market data.

Valuation process

The Partnership relies on the valuation process and methodologies of BBPLC.

(i) Borrowings

Borrowings are initially recognised at fair value including direct and incremental transaction cost. They are subsequently measured at amortised cost. Borrowings are derecognised when extinguished.

(j) Guarantees

Financial guarantees are initially recognised in the financial statements at fair value on the date that the guarantee was provided. Subsequent to initial recognition, such guarantees are measured at the higher of the initial measurement less any amortisation of fee income recognised in the income statement over the period, and the best estimate of the expenditure required to settle any financial liability arising as a result of the obligation at the statement of financial position date.

(k) Members' capital

Members' 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 members' capital. The capital contributions in cash made or deemed to be made by BBPLC from time to time shall be credited to its separate capital account ledger and any capital distribution will be debited to its capital account ledger.

(l) Members' capital distributions

Members' capital distributions are recognised in the period in which they are paid or, if earlier, approved by the Partnership's members.

Barclays CCP Funding LLP
NOTES TO THE REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2018

(m) Taxation

For UK purposes, the Partnership is treated as being tax transparent. The Partnership is not therefore separately taxable, as all income of the Partnership flows through to each individual Member.

3. INTEREST INCOME

	2018	2017
	\$'000	\$'000
Interest income from affiliates and member	3	17,453
	<u>3</u>	<u>17,453</u>

4. INTEREST EXPENSE

	2018	2017
	\$'000	\$'000
Interest expense to member	-	(17,452)
	<u>-</u>	<u>(17,452)</u>

5. NET TRADING INCOME

Included within net trading income were gains of \$180,217,444 (2017: \$57,152,000) on financial assets at fair value and losses of \$180,217,444 (2017: \$57,152,000) on financial liabilities at fair value.

6. AUDIT FEE FOR PARTNERSHIP

The audit fee is borne by BCI, the Partnership's affiliate. The fee for auditing the financial statements of the Partnership amounts to \$20 (\$'000) (2017: \$7 (\$'000)). This fee is paid by an affiliate and is not recognised as an expense in the financial statements.

7. MEMBERS' EMOLUMENTS

The Members did not receive any emoluments in respect of their services to the Partnership during the year (2017: \$ Nil).

8. STAFF COSTS

There were no employees employed by the Partnership during 2018 (2017: Nil). All support is provided by an affiliated entity.

9. GUARANTEES

The Partnership has provided a guarantee over the obligations of BBPLC under the Collateralised Commercial Paper issued via a LLP undertaking. If BBPLC was to default to investors, under the terms of the guarantee, investors would have recourse to the Partnership's investment in its financial assets at fair value, which is collateralised by securities. Recourse under the LLP undertaking is limited only to the Collateral expressed in the Security Agreement to the respective class held by such Noteholders.

10. CASH AND CASH EQUIVALENTS

Cash and Cash equivalents of \$10,004,360 (2017: \$10,001,285) relates to cash held with Bank of New York Mellon. Carrying value of cash equivalents approximates their fair value.

Barclays CCP Funding, LLP
NOTES TO THE REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2018

11. FINANCIAL ASSETS AT FAIR VALUE

	2018 \$'000	2017 \$'000
Affiliates	540,855	2,228,956
Member	17,295,175	8,611,918
	<u>17,836,030</u>	<u>10,840,874</u>

Financial assets at fair value represents reverse repurchase agreements as a result of the assessment of the business model which is classified as 'Other' than 'Hold to collect'. The balances are subsequently measured on a fair value basis rather than amortised cost. Additional details in respect of impact on account of transition to IFRS 9 are detailed in Note 20.

The Partnership has financial assets at fair value with its affiliate (BCI and BCSL) and its member (BBPLC). The fair value of the collateral pledged to the Partnership under financial assets at fair value is \$18,501,960,802 (2017: \$11,233,548,000).

Financial assets at fair value are classified as Level 2 in the fair value hierarchy as their valuation incorporates significant inputs that are based on observable market data.

12. REVERSE REPURCHASE AGREEMENTS

	2018 \$'000	2017 \$'000
Affiliates	-	351,674
Member	-	5,643,691
	<u>-</u>	<u>5,995,365</u>

The Partnership has reverse repurchase agreements with its affiliates (BCI and BCSL) and its member (BBPLC). The fair value of the collateral pledged to the Partnership under the reverse repurchase agreements is \$NIL (2017: 6,304,155,000). Refer to note 11 above.

Reverse repurchase agreements, which are measured at amortised cost, are classified as Level 2 in the fair value hierarchy as their valuation incorporates significant inputs that are based on observable market data.

13. FINANCIAL LIABILITIES AT FAIR VALUE

	2018 \$'000	2017 \$'000
Amounts due to member	(17,836,030)	(10,840,874)
	<u>(17,836,030)</u>	<u>(10,840,874)</u>

Financial liabilities at fair value represents borrowings that have been designated at fair value to better align to the way business manages the portfolio's risk and performance. Any effect of remeasurement of such liabilities are taken to the income statement.

Financial liabilities at fair value are classified as Level 2 in the fair value hierarchy as their valuation incorporates significant inputs that are based on observable market data.

Additional details in respect of the Partnership's financial liabilities at fair value are detailed in Note 17.

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14. BORROWINGS

	2018	2017
	\$'000	\$'000
Amounts due to member	-	(5,995,365)
	<u>-</u>	<u>(5,995,365)</u>

Borrowings, which are measured at amortised cost, are classified as Level 2 in the fair value hierarchy as their valuation incorporates significant inputs that are based on observable market data. Refer to note 13 above.

Additional details in respect of the Partnership's borrowings are detailed in Note 17.

15. MEMBERS' CAPITAL

	2018	2017
	\$'000	\$'000
Balance at 1 January	10,000	10,000
Issuance of members' capital	-	-
Balance at 31 December	<u>10,000</u>	<u>10,000</u>

16. PARENT UNDERTAKING AND ULTIMATE HOLDING COMPANY

The Members of the Partnership are Barclays Bank Plc ('BBPLC') and Barclays Shea Limited, a wholly owned subsidiary of BBPLC, and therefore the ultimate parent of the Partnership is Barclays PLC. The parent undertaking of the smallest group that presents consolidated financial statements is BBPLC. Both the Partnership and BBPLC are incorporated in the United Kingdom and registered in England. The statutory financial statements of Barclays Bank PLC are available from Barclays Corporate Secretariat, 1 Churchill Place London E14 5HP.

17. FINANCIAL RISKS

The Partnership's activities expose it to a variety of financial risks. These are liquidity risk, credit risk and market risk (which includes foreign currency risk, interest rate risk and price risk). Consequently, BBPLC devotes considerable resources to maintain 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.

Liquidity risk

This is the risk that the Partnership's cash and committed facilities may be insufficient to meet its debts as they fall due. The financial liabilities at fair value and borrowings of the Partnership are matched to the maturities of the Partnership's financial assets at fair value and reverse repurchase agreements. The Partnership has the financial support from BBPLC, to ensure the Partnership has sufficient available funds for operations

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The table below shows the maturity of financial liabilities the Partnership is exposed to, and the undiscounted contractual maturity of the liabilities:

				2018
	Financial liabilities at fair value	Borrowings	Other Creditors	Total
	\$'000	\$'000	\$'000	\$'000
Financial liabilities repayable:				
Not more than three months	(6,135,020)	-	-	(6,135,020)
Over three months but not more than six months	(4,055,441)	-	-	(4,055,441)
Over six months but not more than one year	(6,359,438)	-	-	(6,359,438)
Over one year but not more than two years	(1,286,131)	-	-	(1,286,131)
Total	(17,836,030)	-	-	(17,836,030)

				2017
	Financial liabilities at fair value	Borrowings	Other Creditors	Total
	\$'000	\$'000	\$'000	\$'000
Financial liabilities repayable:				
Not more than three months	(5,348,675)	(718,334)	(500,292)	(6,567,301)
Over three months but not more than six months	(2,124,308)	(1,419,469)	-	(3,543,777)
Over six months but not more than one year	(3,204,082)	(3,357,501)	-	(6,561,583)
Over one year but not more than two years	(163,809)	(259,771)	-	(423,580)
Over two years but not more than three years	-	(240,290)	-	(240,290)
Total	(10,840,874)	(5,995,365)	(500,292)	(17,336,531)

Credit Risk

Credit risk is the risk of suffering financial loss, should any of the Partnership's customers or market counterparties fail to fulfil their contractual obligations to the Partnership. The Partnership manages its credit risk by entering into collateral lending with entities within the Barclays Group.

The Partnership's maximum exposure to credit risk is detailed in the table below. The exposure reported in the table represents the gross receivable amounts, which may not be the fair value. The exposure is reported gross and does not include any collateral or other credit risk mitigants which reduce the Partnership's exposure. The exposure by industry type relates to the financial institutions.

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					2018
	Cash Equivalents \$'000	Financial assets at fair value \$'000	Reverse Repos \$'000	Other Receivables \$'000	Total \$'000
Banks and Other Financial Institutions	10,004	17,836,030	-	-	17,846,034
Total	10,004	17,836,030	-	-	17,846,034

					2017
	Cash Equivalents \$'000	Financial assets at fair value \$'000	Reverse Repos \$'000	Other Receivables \$'000	Total \$'000
Banks and Other Financial Institutions	10,001	10,840,874	5,995,365	500,292	17,346,532
Total	10,001	10,840,874	5,995,365	500,292	17,346,532

Cash equivalents of \$10,004,360 relates to cash held with Bank of New York Mellon, and are considered under Stage 1 under IFRS 9. The Partnership has credit risk on its cash and cash equivalents held with Bank of New York Mellon. No financial assets subject to credit risk are past due nor individually impaired. There is no expected significant credit loss as Bank of New York Mellon has a strong credit rating, the Partnership considers the quality of the credit to be good.

The funds are lent to the counterparties detailed as below:

				2018
Counterparty	Credit Rating	Geographical location	Financial Assets at Fair Value \$'000	Reverse Repos \$'000
Barclays Capital Inc	Strong	US	447,962	-
Barclays Capital Securities Limited	Strong	UK	92,893	-
Barclays Bank PLC	Strong	UK	17,295,175	-
			17,836,030	-

				2017
Counterparty	Credit Rating	Geographical Location	Financial Assets at Fair Value \$'000	Reverse Repos \$'000
Barclays Capital Inc.	Strong	US	2,228,952	137,362
Barclays Capital Securities Limited	Strong	UK	-	214,312
Barclays Bank PLC	Strong	UK	8,611,922	5,643,691
Total			10,840,874	5,995,365

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Credit Rating description can be summarised as follows:

Strong: There is a very high likelihood of the asset being recovered in full. This includes Counterparty exposures with credit risk rating of BBB- and above by S&P.

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

Higher risk: There is concern over the obligor's ability to make payments when due. However, these have not yet converted to actual delinquency. There may also be doubts over the value of collateral or security provided. However, the borrower or counterparty is continuing to make payments when due and is expected to settle all outstanding amounts of principal and interest. This includes Counterparty exposures with credit risk rating of B- and below by S&P.

Collateral is held by the Partnership as an important mitigant of credit risk, and the Partnership has obtained collateral for the funds advanced. When collateral is deemed appropriate, the Partnership accepts specific, agreed classes of collateral. The Partnership monitors the fair value of securities purchased and sold under agreements to resell/repurchase on a daily basis, with additional collateral obtained or refunded as necessary.

The fair value of collateral held by the Partnership is detailed below:

			2018
Nature of collateral:	Financial Assets at Fair Value \$'000	Reverse Repos \$'000	Total \$'000
- Debt securities	13,324,691	-	13,324,691
- Equity securities	5,177,270	-	5,177,270
	<u>18,501,961</u>	<u>-</u>	<u>18,501,961</u>
			2017
Nature of collateral:	Financial Assets at Fair Value \$'000	Reverse Repos \$'000	Total \$'000
- Debt securities	11,233,583	-	11,233,583
- Equity securities	-	6,304,155	6,304,155
	<u>11,233,583</u>	<u>6,304,155</u>	<u>17,537,738</u>

The collaterals were pledged to the Partnership by BCI, BCSL and BBPLC as securities for financial assets at fair value and reverse repurchase agreements from the Partnership to BCI, BCSL and BBPLC. The Partnership can only seize the assets upon default of repayment of Reverse Repurchase agreements by BCI, BCSL and BBPLC and otherwise has no right to sell or re-pledge the collateral.

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Market Risk

Market risk is the risk that the Partnership'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 equity prices, foreign exchange rates, and interest rates.

The Partnership has no exposure to foreign exchange rates, as all assets and liabilities are matched on a currency level.

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 Partnership's interest bearing financial assets and liabilities. The Partnership's interest rate risk arises from long term financial liabilities at fair value and borrowings. The Partnership mitigates interest rate risk by matching its financial assets at fair value and reverse repo interest rates with the interest rates on financial liabilities at fair value and borrowings from BBPLC.

The Partnership's interest rate risk and market risk is limited to the \$10,004,360 exposure on cash held with Bank of New York Mellon.

18. 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 Partnership's key management which includes its Members. BBPLC is the controlling party. BCI and BCSL are affiliates of the Partnership. The Partnership acknowledges that administration services are provided by BBPLC. During the year there have been no other transactions with related parties other than transactions disclosed in the notes to the financial statements. All transactions are with related parties.

19. CAPITAL MANAGEMENT

The Partnership is required to operate within the risk management policies of BBPLC which include guidelines covering capital management. Both the capital management and risk management objectives and policies of BBPLC can be found in the financial statements of BBPLC. The financial statements of BBPLC are available from the Barclays Corporate Secretariat, 1 Churchill Place, London E14 5HP.

The Partnership regards as capital its equity reported in the Balance Sheet. Total equity for year ended 31 December 2018 is \$10,003,983 (2017: \$ 10,001,000).

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20. BALANCE SHEET MOVEMENT – IMPACT OF TRANSITION TO IFRS 9 (All amounts in \$'000)

The table below presents the impact of the changes to balance sheet presentation and of the transition to IFRS 9 on Barclays CCP LLP's balance sheet showing separately the changes arising from reclassification and any associated remeasurement.

Assets	IAS 39 measurement category	IFRS 9 measurement category	As at 31 December 2017			As at 1 January 2018
			IAS 39 carrying amount	IFRS 9 presentation change	IFRS 9 classification and measurement	IFRS 9 carrying amount
Cash and cash equivalents	Amortised cost	Amortised cost	10,001	-	-	10,001
Financial assets at fair value						
- designated at fair value	FVTPL	FVTPL	10,840,874	(10,840,874)	-	-
- mandatorily at fair value	FVTPL	FVTPL	-	10,840,874	6,503,011	17,343,885
Reverse repurchase agreements	Amortised cost	Not applicable	5,995,365	-	(5,995,365)	-
Other Receivables	Amortised cost	Not applicable	500,292	-	(500,292)	-
Total Assets			17,346,532	-	7,354	17,353,886

Liabilities	IAS 39 Measurement category	IFRS 9 measurement category	As at 31 December 2017			As at 1 January 2018
			IAS 39 carrying amount	IFRS 9 presentation change	IFRS 9 classification and measurement	IFRS 9 carrying amount
Financial liabilities at fair value	FVTPL	FVTPL	10,840,874	-	6,503,011	17,343,885
Borrowings	Amortised cost	Not applicable	5,995,365	-	(5,995,365)	-
Other Creditors	Amortised cost	Not applicable	500,292	-	(500,292)	-
Total liabilities			17,336,531	-	7,354	17,343,885
Equity						
Share premium	NA	NA	10,000	-	-	10,000
Retained earnings	NA	NA	1	-	-	1
Total Equity			10,001	-	-	10,001
Total of Liabilities and Equity			17,346,532	-	7,354	17,353,886

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Balance sheet and IFRS 9 presentation changes

The following voluntary change in presentation has been made as a result of the review of accounting presentation following the adoption of IFRS 9, and is expected to provide more relevant information to the users of the financial statements. This presentational change has no effect on the measurement of these items and therefore had no impact on retained earnings or profit for any period. The effect of these presentational changes on transition is immaterial

IFRS 9 classification and measurement

This column represents the changes to the balance sheet from classification and measurement. The net effect is NIL in shareholders' equity.

Assets

Reverse repurchase agreements and other similar secured lending – measured on an amortised cost basis:
Transfer Out: Balances of \$ 5,995,365 are reclassified to 'Financial assets at fair value through the income statement' as a result of the assessment of the business model which is classified as 'Other' than 'Hold to collect'. The balances are subsequently measured on a fair value basis rather than amortised cost.

There has been a remeasurement impact of \$7,354 due to reclassification from amortised cost basis.

Other Receivables:

Transfer Out: Balances of \$500,292 are reclassified to 'Financial assets at fair value through the income statement' as a result of the assessment of the business model which is classified as 'Other' than 'Hold to collect'. The balances are subsequently measured on a fair value basis rather than amortised cost.

Liabilities

Borrowings measured on an amortised cost basis

Transfer Out: Balances of \$ 5,995,365 are reclassified to 'Financial liabilities at Fair value' as a result of trades that are linked to assets for accounting symmetry.

Other Creditors- measured on an amortised cost basis

Transfer Out: Balances of \$500,061 are reclassified to 'Financial liabilities at fair value through the income statement'.

Financial liabilities at fair value

Transfer in: Borrowing measured on an amortised cost basis of \$ 5,995,365 reclassified to this balance sheet line as a result of fair value designation as it reduces an accounting mismatch. There has been a remeasurement impact of \$7,354 due to reclassification from borrowings measured on an amortised cost basis

Equity

The cumulative remeasurement due to reclassification was NIL. There is no expected material credit loss as no material balances have been classified under amortised cost.

21. EVENTS AFTER THE BALANCE SHEET DATE

There were no events after the balance sheet date to report.