

# **BARCLAYS CCP FUNDING LLP**

**Members' Annual Report and Financial Statements  
For the year ended 31 December 2019**

**Registered No: OC359024**



**Barclays CCP Funding LLP**  
**Members' Annual Report and Financial Statements**  
**For the year ended 31 December 2019**

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**Barclays CCP Funding LLP  
Members' Annual Report  
For the year ended 31 December 2019  
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 2019.

**Results**

During the year ended 31 December 2019 the Partnership made a loss of \$334 (2018: Profit \$2,572). The Partnership has net assets of \$10,003,649 (2018: \$10,003,983).

**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 a LLP Management Committee which is comprised of individual representatives of Barclays Bank PLC, as follows:

John Feraca  
Dov Kanofsky  
Andrew Diplock (appointed 20 August 2019)  
George Van Schaik  
Richard Strudwick  
Michael Manna (resigned 20 August 2019)

and of individual representatives of Barclays Shea Limited as follows:

Michael Manna (resigned 20 August 2019)  
Mark Newton  
Richard Strudwick  
Dov Kanofsky  
George Van Schaick  
Paivi Helena Whitaker  
Andrew Diplock (appointed 20 August 2019)

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**Going concern**

After reviewing the Partnership's performance, projections and cash flows (including the implications from the COVID-19 outbreak) 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.

**Post balance sheet events**

The LLP is monitoring the potential downside risk associated with both the direct and indirect impact of the COVID-19 outbreak. The LLP continues to operate in line with management's expectations.

**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 18-21 of the financial statements.

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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 15

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>.

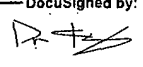
**Independent Auditor**

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

DocuSigned by:  
  
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Name: Dov Kanofsky  
Authorized representative of Barclays Bank PLC  
Designated Member  
Date: 22/09/2020

**Barclays CCP Funding LLP  
Strategic Report  
For the year ended 31 December 2019**

The Members present their strategic report for the Partnership for the year ended 31 December 2019.

**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 2019 is detailed on Page 1 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.

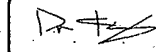
**Principal risks and uncertainties**

The Partnership's activities expose it to a variety of risks as set out in Note 15 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.

Whilst the direct and indirect impact of the Coronavirus (COVID-19) outbreak remains uncertain, a number of central banks and governments have announced financial stimulus packages in anticipation of a very significant negative impact on GDP during 2020. Concerns remain as to whether these policy tools will counter anticipated macro-economic risks and a prolongation of the outbreak could significantly adversely affect economic growth, affect specific industries or countries. In addition, an escalation in geopolitical tensions or increased use of protectionist measures may also negatively impact the Company's business.

For and on behalf of  
Barclays CCP Funding LLP

DocuSigned by:



Name: Dov Kanoisky

Authorized representative of Barclays Bank PLC

Designated Member

Date: 22/09/2020

Company number OC35902

**Barclays CCP Funding LLP  
Independent Auditor's Report to the Members of Barclays CCP Funding LLP  
For the year ended 31 December 2019**

We have audited the financial statements of Barclays CCP Funding LLP ("the LLP") for the year ended 31 December 2019 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 2019 and of its result 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.

**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 and analyzed 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.

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.

**Barclays CCP Funding LLP**  
**Independent Auditor's Report to the Members of Barclays CCP Funding LLP**  
**For the year ended 31 December 2019**

**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](http://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 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.



Michael McGarry (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
15 Canada Square  
London  
E14 5GL  
22 September 2020



**Barclays CCP Funding LLP**  
**INCOME STATEMENT**  
**For the year ended 31 December 2019**

	Note	2019 \$'000	2018 \$'000
<b>Continuing operations:</b>			
Interest Income	3	-	3
Interest Expense	4	-	-
Net interest income		-	3
Net trading income	5	-	-
<b>Net income</b>		<u>-</u>	<u>3</u>
Result on ordinary activities before taxation		-	3
Taxation		-	-
<b>Result for the year</b>		<u>-</u>	<u>3</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 12 to 22 form an integral part of these financial statements.

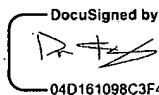
**Barclays CCP Funding LLP**  
**BALANCE SHEET**  
For the year ended 31 December 2019

	Note	2019 \$'000	Restated 2018 \$'000	Restated 2017 \$'000
<b>Assets</b>				
Cash and cash equivalents	10	10,004	10,004	10,001
Financial assets at fair value	11	17,932,414	17,836,030	10,840,874
Reverse Repurchase Agreement		-	-	5,995,365
Other Receivables		-	-	500,292
<b>Total assets</b>		<b>17,942,418</b>	<b>17,846,034</b>	<b>17,346,532</b>
<b>Liabilities</b>				
Financial liabilities at fair value	12	(17,932,414)	(17,836,030)	(10,840,874)
Borrowings		-	-	(5,995,365)
Other Creditors		-	-	(500,292)
<b>Total Liabilities</b>		<b>(17,932,414)</b>	<b>(17,836,030)</b>	<b>(17,336,531)</b>
<b>Net assets attributable to Members</b>				
Members' capital	13	(10,000)	(10,000)	(10,000)
Retained Earnings		(4)	(4)	(1)
<b>Total members' equity</b>		<b>(10,004)</b>	<b>(10,004)</b>	<b>(10,001)</b>

The accompanying notes from pages 12 to 22 form an integral part of these financial statements.

The statement of Financial Position has been presented using the liquidity-based approach of presentation with comparatives re-presented for reference. Please refer to Note 2(b) describing the approach and the rationale for using this approach.

The financial statements were approved by the members and authorized for issue on 01/09/ 2020 and were signed on behalf of the members by:

DocuSigned by:  
  
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Dov Kanofsky  
Authorized representative for Barclays Bank PLC  
Designated Member  
Date: 22/09/2020  
Company number OC359024

**Barclays CCP Funding LLP**  
**STATEMENT OF CHANGES IN EQUITY**  
**For the year ended 31 December 2019**

	<b>Members' capital \$'000</b>	<b>Retained earnings \$'000</b>	<b>Total members' equity \$'000</b>
<b>Balance at 1 January 2019</b>	10,000	4	10,004
Issuance of members' capital	-	-	-
Profit for the year	-	-	-
<b>Balance at 31 December 2019</b>	<u><b>10,000</b></u>	<u><b>4</b></u>	<u><b>10,004</b></u>

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

The accompanying notes from pages 12 to 22 form an integral part of these financial statements.

Barclays CCP Funding LLP  
**STATEMENT OF CASH FLOWS**  
For the year ended 31 December 2019

	Note	2019 \$'000	2018 \$'000
<i>Cash flows from operating activities</i>			
Profit before Taxation		-	3
Net (increase)/decrease in financial assets at fair value through the income statement		(96,384)	(999,791)
Net (increase)/decrease in reverse repurchase agreements		-	-
Net increase /(decrease) in financial liabilities at fair value through the income statement		96,384	999,791
Net increase/(decrease) in borrowings		-	-
Net increase in cash and cash Equivalents		-	3
Cash and cash equivalents at 1 January		10,004	10,001
Cash and cash equivalents at 31 December		<u>10,004</u>	<u>10,004</u>
Cash and cash equivalents comprise:			
Cash at bank	10	10,004	10,004

The accompanying notes from pages 12 to 22 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 2019**

**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.

After reviewing the Partnership's performance projections and cash flows (including the implications from the COVID-19 outbreak) 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.

**Barclays CCP Funding LLP**  
**NOTES TO THE REPORT AND FINANCIAL STATEMENTS**  
**For the year ended 31 December 2019**

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 put/call options (Note 15) which could result in the settlement of financial assets and liabilities before their scheduled maturity dates. Comparative presentation had split borrowings between non-current and current components however using the original approach to presentation would have resulted in a restatement to current for those borrowings with an early call option present. By re-presenting the comparatives on the face of the statement of Financial Position using the liquidity-based approach of presentation restatement is not necessary, and the impact has resulted in the non-current and current components of financial assets and liabilities being added together for 2018 and 2017.

**(c) New and amended standards**

The accounting policies adopted are consistent with those of the previous financial year. There are no new and amended standards that would have a material impact on the entity.

**(d) 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.

**(e) Interest**

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

**(f) 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.

**(g) Financial assets and liabilities at fair value**

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

**Barclays CCP Funding LLP**  
**NOTES TO THE REPORT AND FINANCIAL STATEMENTS**  
**For the year ended 31 December 2019**

**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.

**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 de-recognition, 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

**Barclays CCP Funding LLP**  
**NOTES TO THE REPORT AND FINANCIAL STATEMENTS**  
**For the year ended 31 December 2019**

**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.

**(h) 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.

**(i) 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.

**(j) 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.

**(k) 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.

**(l) 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.



**Barclays CCP Funding LLP**  
**NOTES TO THE REPORT AND FINANCIAL STATEMENTS**  
**For the year ended 31 December 2019**

**3. INTEREST INCOME**

	2019 \$'000	2018 \$'000
Interest income from affiliates and member	-	3
	<u>-</u>	<u>3</u>

**4. INTEREST EXPENSE**

	2019 \$'000	2018 \$'000
Interest expense to member	-	-
	<u>-</u>	<u>-</u>

**5. NET TRADING INCOME**

Included within net trading income were gains of \$286,918,807 (2018: \$180,217,444) on financial assets at fair value and losses of \$286,918,807 (2018: \$180,217,444) 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 \$ 21,500 (2018: \$20,000). 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 (2018: \$ Nil).

**8. STAFF COSTS**

There were no employees employed by the Partnership during 2019 (2018: 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 \$10,004,046 (2018: \$10,004,360) relates to cash held with Bank of New York Mellon. Carrying value of cash equivalents approximates their fair value.

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**11. FINANCIAL ASSETS AT FAIR VALUE**

	2019	2018
	\$'000	\$'000
Affiliates	333,823	540,855
Member	17,598,591	17,295,175
	<u>17,932,414</u>	<u>17,836,030</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 amortized cost.

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 \$18,951,550,088 (2018: \$18,501,960,802).

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. FINANCIAL LIABILITIES AT FAIR VALUE**

	2019	2018
	\$'000	\$'000
Amounts due to member	(17,932,414)	(17,836,030)
	<u>(17,932,414)</u>	<u>(17,836,030)</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 15.

**13. MEMBERS' CAPITAL**

	2019	2018
	\$'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>

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**14. 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.

**15. 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.

The table below presents the payment profile of the financial assets and liabilities taking contractual maturities and potential early redemption into account where this option is available at the statement of financial position date.

	2019
	Financial liabilities at fair value \$'000
<b>Financial liabilities repayable:</b>	
Not more than three months	(6,437,051)
Over three months but not more than six months	(5,549,941)
Over six months but not more than one year	(5,945,422)
Over one year but not more than two years	-
<b>Total</b>	<b>(17,932,414)</b>

The comparative table presents the payment profile of the financial assets and liabilities taking contractual maturities into account but doesn't take the potential for an early redemption into account. Had the early redemption option been considered as per 2019, the 2018 comparative figures for financial liabilities would be as follows: \$9,044,573 (\$'000) - not more than three months; \$3,889,917 (\$'000) - over three months but not more than six months; \$4,786,233 (\$'000) - over six months but not more than one year and \$115,307 (\$'000) - over one year but not more than two years.

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

**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.

	Cash Equivalents	Financial assets at fair value	2019 Total
	\$'000	\$'000	\$'000
Banks and Other Financial Institutions	10,004	17,932,414	17,942,418

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

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Cash equivalents of \$10,004,046 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:

Counterparty	Credit Rating	Geographical location	2019
			Financial Assets at Fair Value \$'000
Barclays Capital Inc	Strong	US	109,474
Barclays Capital Securities Limited	Strong	UK	224,349
Barclays Bank PLC	Strong	UK	17,598,591
			<u>17,932,414</u>

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

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.

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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:

	2019
Nature of collateral:	Financial Assets at Fair Value
	\$'000
- Debt securities	16,028,745
- Equity securities	2,922,805
	<u>18,951,550</u>

	2018
Nature of collateral:	Financial Assets at Fair Value
	\$'000
- Debt securities	13,324,691
- Equity securities	5,177,270
	<u>18,501,961</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.

#### 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.

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The Partnership's interest rate risk and market risk is limited to the \$10,004,046 exposure on cash held with Bank of New York Mellon.

**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 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.

**17. 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 2019 is \$10,003,649 (2018: \$ 10,003,983).

**18. EVENTS AFTER THE BALANCE SHEET DATE**

The LLP is monitoring the potential downside risk associated with both the direct and indirect impact of the COVID-19 outbreak. The LLP continues to operate in line with management's expectations.