

Registered number: 06991560

BARCLAYS ASSET MANAGEMENT LIMITED

Directors' Report and Financial Statements

For the Year Ended 31 December 2020



BARCLAYS ASSET MANAGEMENT LIMITED

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BARCLAYS ASSET MANAGEMENT LIMITED

Directors' Report For the Year Ended 31 December 2020

The Directors present their annual report together with the audited financial statements of Barclays Asset Management Limited (the 'Company') for the year ended 31 December 2020.

Profit and dividends

During the year the Company made profit for the year of £ 2,006,000 (2019: £ 3,256,000). A dividend of £3,000,000 was paid on 27th April 2020, £4,000,000 on 26th June 2020 and £1,000,000 on 23rd December 2020 (2019: £20,000,000).

Post balance sheet events

In the 3rd of March 2021 UK Budget, it was announced that the UK rate of corporation tax will increase from 19% to 25% effective 1 April 2023. The change was not substantively enacted or enacted at the balance sheet date.

Following a strategic review of the Company's existing range of UK funds, a merger program has commenced to consolidate the Barclays Multi-Manager Fund (UK Series 2) (the "existing company") and the Barclays Multi-Manager Fund (UK) (the "receiving company"). The mergers were approved by the shareholders on the 9th April 2021 and are scheduled to be implemented on the 28th May 2021. The Company is not expecting a material impact to its profits as a result of the merger.

The UK Brexit transition period ended on the 31st December 2020. The Company is not expecting any specific challenges to arise as a result of Brexit.

Directors

The Directors of the Company, who served during the year and up to the date of signing the financial statements, together with their dates of appointment and resignation, where appropriate, are as shown below:

D B M Cavaye

N J Eggers (appointed 29/06/20)

C J Mack (appointed 05/06/20)

J-M Morel

D P Neylin

S W Soquar (resigned 20/02/20)

Going concern

After reviewing the Company's financial position and performance projections (including the implications from the ongoing COVID-19 outbreak), the Directors are satisfied that the Company has adequate access to resources to enable it to meet its obligations as they fall due and to continue in operational existence for at least the next 12 months from the date of signing these financial statements. For this reason, the Directors have adopted the going concern basis in preparing these financial statements.

BARCLAYS ASSET MANAGEMENT LIMITED

Directors' Report (continued) For the Year Ended 31 December 2020

Statement of Directors' responsibilities in respect of the Strategic Report, the Directors' Report and Financial Statements

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and applicable law.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

Financial risk management

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

Directors third party indemnity provisions

Qualifying third party indemnity provisions were in force (as defined by section 234 of the Companies Act 2006) during the course of the financial year ended 31 December 2020 for the benefit of the then Directors and, at the date of this report, are in force for the benefit of the Directors in relation to certain losses and liabilities, including qualifying third party indemnity provisions and qualifying indemnity provisions which may occur (or have occurred) in connection with their duties, powers or office.

BARCLAYS ASSET MANAGEMENT LIMITED

**Directors' Report (continued)
For the Year Ended 31 December 2020**

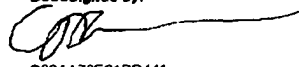
Independent auditors

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

Statement of disclosure of information to auditors

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

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

DocuSigned by:

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C J Mack
Director

Date: 23 April 2021

BARCLAYS ASSET MANAGEMENT LIMITED

Strategic Report For the Year Ended 31 December 2020 Business review and principal activities

The principal activity of the Company is the management of authorised investment funds and open-ended investment companies.

The Company is regulated by the Financial Conduct Authority and is an Authorised Corporate Director (ACD) and an Alternative Investment Fund Manager (AIFM) of Open Ended Investment Companies (OEICs) and Unit Trust Funds.

The Company is a signatory of the UN principles of Responsible Investment since 1 April 2016.

Business performance

The results of the Company show a profit before taxation of £ 2,477,000 for the year ended 31 December 2020 (2019: £4,020,000) and total comprehensive income of £ 2,006,000 (2019: £ 3,256,000). The Company has a net debt of £nil (2019: £nil). Net cash inflow from operating activities for 2020 was £ 2,174,000 (2019: £5,480,000).

Future outlook

Barclays Asset Management Limited, along with its immediate parent, Barclays Bank UK PLC, adopts Barclays PLC's annual business and capital planning process. This involves the development of a 5 year Medium Term Plan for the Company's business which is approved by the Board.

For the purposes of the Medium Term Plan, the Company produces revenue, cost, balance sheet and asset under management forecasts in line with the Group's central macro-economic forecast as applicable to the Company's business. The forecasts are produced with the input of key stakeholders from across the Company and is subject to review and challenge by the Company's senior management and Board.

The revenue and cost projections have been utilised to generate a forecast of the Company's capital adequacy position over the planning horizon. The Directors are satisfied that the Company is adequately capitalised over the forward looking planning horizon.

Principal risks and uncertainties

The Company is exposed to internal and external risks of ongoing activities. These risks are managed as part of the Company's business model. Whilst the full direct and indirect impact of the ongoing COVID-19 outbreak remains uncertain, a number of central banks and governments have extended financial stimulus packages as a result of the significant negative impact on GDP. Concerns remain as to whether these policy tools will counter anticipated macro-economic risks and a prolongation of the outbreak could significantly adversely affect economic growth, affect specific industries or countries. In addition, an escalation in geopolitical tensions or increased use of protectionist measures may also negatively impact the Company's business. Where these macro-economic risks result in market volatility, there is a risk of a reduction in future revenue where fees are based on the market value of client assets. COVID-19 has had an overall adverse impact on the Company performance during 2020. Whilst 2020 fee income from AUM's was adversely impacted due to market deterioration, this was slightly offset by a favourable increase in trading volumes and subsequent market recovery of AUM values. Currently Full Year Outlook for 2021 is reporting favourably to MTP with continuing high levels of trading.

Key performance indicators

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

BARCLAYS ASSET MANAGEMENT LIMITED

Strategic Report (continued) For the Year Ended 31 December 2020

Section 172(1) statement

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

The Directors have acted in a way that they considered, in good faith, to be most likely to promote the success of the Company for the benefit of its member as a whole, and in doing so had regard, amongst other matters, to:

- the likely consequences of any decision in the long term;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Company.

You can find out more about who the Barclays Group's stakeholders are, how management and/or the Directors engaged with them, the key issues raised and actions taken on pages 18 to 19 of the Barclays PLC Annual Report 2020 and also on page 11 of the Barclays Bank UK PLC Annual Report 2020 (both of which are incorporated by reference into this statement).

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

How does the board engage with stakeholders?

Depending on the decision in question, the relevance of each particular stakeholder group may differ, and equally the Board adopts a variety of methods of engagement with different stakeholder groups. The Board will sometimes engage directly with certain stakeholders on certain issues, but the size and distribution of our stakeholders and of the Company means that stakeholder engagement often takes place at an operational level.

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

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

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

The following are some examples of how the Directors have had regard to the matters set out in sections 172 (1)-(f) when discharging their section 172 duties and the effect of that on certain of the decisions taken by them.

BARCLAYS ASSET MANAGEMENT LIMITED

**Strategic Report (continued)
For the Year Ended 31 December 2020**

Engagement in action

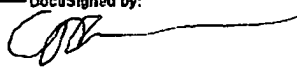
COVID-19

Throughout almost the entirety of 2020, as the pandemic unfurled, the primary focus of the Company and the Board has been on (i) maintaining focus on risk management and investment outcomes as market volatility significantly increased; (ii) the operational resilience of the front-to-back operating platform as it transferred to an entirely virtual model; (iii) establishing enhanced oversight of all delegates carrying out core functions; (iv) the health and wellbeing of colleagues across the group that support the operating of the Company; and (v) the continued satisfactory control environment, notably maintaining the positive trajectory on CASS issues, despite heightened trade volumes. The Board has demonstrated leadership and oversight during the pandemic, and this continues at the date of this report.

Customer and client focus

Notwithstanding the challenging environment, over the course of the year and building on work done in previous periods, the Board has taken steps that have had an immediate positive impact on each customer's investment experience and sought to eliminate functional inconveniences. In the wider context of the FCA's Assessment of Value, the board has (i) reduced the fees in a number of share classes to ensure equitable pricing across funds; (ii) benchmarked each fund's pricing against the competitive landscape; (iii) initiated a material consolidation of products to release scale efficiencies and drive down running costs and (iv) maintained momentum on enhancing our client records to allow greater digital communication and non-cheque based payments of distributions and redemption proceeds. In aggregate these steps represent good progress and increased the value the funds offer customers. The Board remains committed to the work of enhancing the proposition, evolving the product set to meet investor needs and eliminating any structural inefficiencies when identified.

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

DocuSigned by:

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C J Mack
Director

Date: 23 April 2021

BARCLAYS ASSET MANAGEMENT LIMITED

Independent Auditor's Report to the Members of Barclays Asset Management Limited

Opinion

We have audited the financial statements of Barclays Asset Management Limited ("the Company") for the year ended 31 December 2020 which comprise the statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and related notes, including the accounting policies in note 4.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Going concern

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

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

Our conclusions based on this work:

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

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

BARCLAYS ASSET MANAGEMENT LIMITED

Independent Auditor's Report to the Members of Barclays Asset Management Limited (continued)

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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

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

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

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

We did not identify any additional fraud risks.

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

We identified journal entries to test based on high risk criteria as well as testing all material post-closing journals. We compared the identified entries to supporting documentation.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

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

As the Company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

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

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

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

BARCLAYS ASSET MANAGEMENT LIMITED

Independent Auditor's Report to the Members of Barclays Asset Management Limited (continued)

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Company's license to operate.

We identified the following areas as those most likely to have such an effect: regulatory capital and certain aspects of Company legislation recognising the financial and regulated nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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

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

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

Strategic report and Directors' report

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

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

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

BARCLAYS ASSET MANAGEMENT LIMITED

Independent Auditor's Report to the Members of Barclays Asset Management Limited (continued)

Directors' responsibilities

As explained more fully in their statement set out on page 3, the Directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

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

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Richard Smith (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square
London
E14 5GL

Date: 23 April 2021

BARCLAYS ASSET MANAGEMENT LIMITED**Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 31 December 2020**

	Note	2020 £000	2019 £000
Continuing operations			
Revenue	5	25,673	33,163
Direct expenses	6	(18,811)	(24,443)
		<u>6,862</u>	<u>8,720</u>
Gross profit			
Administrative expenses	7	(4,385)	(4,700)
		<u>2,477</u>	<u>4,020</u>
Profit from operations			
Profit before tax		<u>2,477</u>	<u>4,020</u>
Tax expense	9	(471)	(764)
		<u>2,006</u>	<u>3,256</u>
Profit for the year			
		<u>2,006</u>	<u>3,256</u>
Total comprehensive income		<u>2,006</u>	<u>3,256</u>

The accompanying notes on pages 16 to 32 form an integral part of the financial statements.

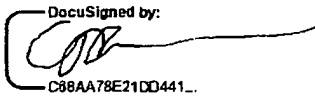
BARCLAYS ASSET MANAGEMENT LIMITED
Registered number: 06991560

Statement of Financial Position
As at 31 December 2020

	Note	2020 £000	2019 £000
Assets			
Current assets			
Trade and other receivables	11	33,189	13,734
Cash and cash equivalents	12	4,714	10,540
Total assets		<u>37,903</u>	<u>24,274</u>
Liabilities			
Current liabilities			
Trade and other payables	13	33,613	14,052
Current tax liabilities	9	471	764
Provisions	14	355	-
Total liabilities		<u>34,439</u>	<u>14,816</u>
Net assets		<u>3,464</u>	<u>9,458</u>
Issued capital and reserves			
Share capital	15	575	575
Retained earnings		2,889	8,883
TOTAL EQUITY		<u>3,464</u>	<u>9,458</u>

The accompanying notes on pages 16 to 32 form an integral part of the financial statements.

The financial statements on pages 12 to 32 were approved and authorised for issue by the Board of Directors and were signed on its behalf by:

DocuSigned by:

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C J Mack
Director

Date: 23 April 2021

BARCLAYS ASSET MANAGEMENT LIMITED**Statement of Changes in Equity
For the Year Ended 31 December 2020**

	Share capital £000	Retained earnings £000	Total equity £000
At 1 January 2020	575	8,883	9,458
Comprehensive income for the year			
Profit for the year	-	2,006	2,006
Other comprehensive income	-	-	-
	<u>-</u>	<u>2,006</u>	<u>2,006</u>
Total comprehensive income for the year			
Contributions by and distributions to owners			
Dividends	-	(8,000)	(8,000)
	<u>-</u>	<u>(8,000)</u>	<u>(8,000)</u>
Total contributions by and distributions to owners			
	<u>575</u>	<u>2,889</u>	<u>3,464</u>

	Share capital £000	Retained earnings £000	Total equity £000
At 1 January 2019	575	25,627	26,202
Comprehensive income for the year			
Profit for the year	-	3,256	3,256
Other comprehensive income	-	-	-
	<u>-</u>	<u>3,256</u>	<u>3,256</u>
Total comprehensive income for the year			
Contributions by and distributions to owners			
Dividends	-	(20,000)	(20,000)
	<u>-</u>	<u>(20,000)</u>	<u>(20,000)</u>
Total contributions by and distributions to owners			
	<u>575</u>	<u>8,883</u>	<u>9,458</u>

The accompanying notes on pages 16 to 32 form an integral part of the financial statements.

BARCLAYS ASSET MANAGEMENT LIMITED**Statement of Cash Flows
For the Year Ended 31 December 2020**

	2020 £000	2019 £000
Continuing operations		
Cash flows from operating activities		
Profit for the year	2,006	3,256
Adjustments for		
Income tax expense	471	764
	<u>2,477</u>	<u>4,020</u>
Change in operating assets and liabilities		
(Increase)/decrease in trade and other receivables	(19,455)	12,560
Increase/(decrease) in trade and other payables	19,561	(6,930)
Increase in provisions	355	-
	<u>2,938</u>	<u>9,650</u>
Cash generated from operations	2,938	9,650
Income taxes paid	(764)	(4,170)
	<u>2,174</u>	<u>5,480</u>
Net cash from operating activities	2,174	5,480
Cash flows from financing activities		
Dividends paid to parent	(8,000)	(20,000)
	<u>(8,000)</u>	<u>(20,000)</u>
Net cash used in financing activities	(8,000)	(20,000)
Net cash decrease in cash and cash equivalents	(5,826)	(14,520)
Cash and cash equivalents at the beginning of year	10,540	25,060
	<u>4,714</u>	<u>10,540</u>
Cash and cash equivalents at the end of the year	<u><u>4,714</u></u>	<u><u>10,540</u></u>

The accompanying notes on pages 16 to 32 form an integral part of the financial statements.

BARCLAYS ASSET MANAGEMENT LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2020

1. Reporting entity

Barclays Asset Management Limited (the 'Company') is a private limited company, domiciled and incorporated in England. The Company's registered office is at 1 Churchill Place, London, E14 5HP. The Company's principal activity is the management of authorised investment funds and open-ended investment companies.

2. Basis of preparation

The financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. They were authorised for issue by the Company's Board of Directors on 23 April 2021.

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

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. There are no critical estimates or judgements included.

After reviewing the Company's financial position and performance projections (including the implications from the ongoing COVID-19 outbreak and consideration of plausible downside scenarios with assets under management stressed in excess of 30%), the Directors are satisfied that the Company has adequate access to resources to enable it to meet its obligations as they fall due and to continue in operational existence for at least the next 12 months from the date of signing these financial statements. For this reason, the Directors have adopted the going concern basis in preparing these financial statements.

2.1 Basis of measurement

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

2.2 Changes in accounting policies

i) New standards, interpretations and amendments effective from 1 January 2020

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

ii) New standards, interpretations and amendments not yet effective

IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Amendments relating to Interest Rate Benchmark Reform (Phase 2 amendments)

IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 were amended in August 2020, which are effective for periods beginning on or after 1 January 2021 with earlier adoption permitted. The Company has not elected to early adopt the amendments with effect from 1 January 2020. The amendments have been endorsed by the EU and the UK.

None of these standards are expected to have a material impact on the Company's accounting policies.

BARCLAYS ASSET MANAGEMENT LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2020

3. Functional and presentation currency

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

4. Accounting policies

4.1 Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control over a product or service to a customer.

(i) Rendering of services

Revenue from providing services is recognised in the accounting period in which the services are rendered.

For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

Fees charged for investment management services are recognised as revenue as the services are provided. Initial fees, which exceed the level of recurring fees and relate to the future provision of services, are deferred as initial service commission deferral income and recognised over the anticipated period in which the services will be provided.

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

(ii) Interest

Interest income or expense is recognised on all interest bearing financial assets classified as loans and receivables held at amortised cost and on interest bearing financial liabilities, using the effective interest method. The effective interest rate is the rate that exactly discounts the expected future cash payments or receipts through the expected life of the financial instrument, or when appropriate, a shorter period, to the net carrying amount of the instrument. The application of the method has the effect of recognising income (and expense) receivable (or payable) on the instrument evenly in proportion to the amount outstanding over the period to maturity or repayment.

4.2 Direct expenses

Direct expenses comprise costs such as initial commission, fund subsidies, trail fees paid to distributors and investment management fees.

4.3 Administrative expenses

Administrative expenses are recognised on an accruals basis and consist of overheads and recharges. Recharges consist of costs from Barclays Bank UK Plc or Barclays Execution Services Limited for management of the Company, audit fees and third party outsourcing costs. All recharges are made to the Company at an arm's length basis.

BARCLAYS ASSET MANAGEMENT LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2020

4. Accounting policies (continued)

4.4 Taxation

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

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

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

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

4.5 Financial assets and liabilities

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

Recognition

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

Classification and measurement

Financial assets are classified on the basis of two criteria:

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

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

BARCLAYS ASSET MANAGEMENT LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2020

4. Accounting policies (continued)

4.5 Financial assets and liabilities

Financial assets 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.

Impairment of financial assets

The Company is required to recognise expected credit losses (ECLs) based on unbiased forward-looking information for all financial assets at amortised cost. Intercompany exposures are also in scope of IFRS 9 for ECL purposes.

At the reporting date, an allowance is required for the 12 month ECLs (Stage 1). If the credit risk has significantly increased since initial recognition (Stage 2), or if the financial instrument is credit impaired (Stage 3) an allowance (or provision) should be recognised for the lifetime ECLs.

The measurement of ECL is calculated using three main components: (i) probability of default (PD) (ii) loss given default (LGD) and (iii) the exposure at default (EAD).

The 12 month ECL is calculated by multiplying the 12 month PD, LGD and the EAD. The 12 month and lifetime PDs represent the PD occurring over the next 12 months and the remaining maturity of the instrument respectively. The EAD represents the expected balance at default, taking into account the repayment of principal and interest from the balance sheet date to the default event. The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes the time value of money.

The Company assesses at each balance sheet date whether there is objective evidence that loans and receivables are impaired. The factors that the Company uses include significant financial difficulties of the debtor or the issuer, a breach of contract or default in payments, the granting by the Company of a concession to the debtor because of a deterioration in its financial condition, the probability that the debtor will enter into bankruptcy or other financial reorganisation, or, in the disappearance of an active market for a security because of the issuer's financial difficulties.

The Company also considers observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, arising from adverse changes in the payment status of borrowers in the portfolio and national or local economic conditions that correlate with defaults on assets in the portfolio.

Any potential ECL is deemed immaterial due to the Company's exposure being only trade receivables and cash and cash equivalents.

Netting

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

BARCLAYS ASSET MANAGEMENT LIMITED**Notes to the Financial Statements
For the Year Ended 31 December 2020****4. Accounting policies (continued)****4.6 Equity securities**

Equity instruments, including share capital, are initially recognised at net proceeds, after deducting transaction costs and any related income tax. Dividend and other payments to equity holders are deducted from equity, net of any related tax.

4.7 Provisions

Provisions are recognised for present obligations arising as consequences of past events where it is more likely than not that a transfer of economic benefit will be necessary to settle the obligation, which can be reliably estimated. Provision is made for the anticipated cost of restructuring, including redundancy costs as well as customer redress costs, when an obligation exists; for example, when the Barclays Bank UK Group (including the Company) has a detailed formal plan for restructuring a business and has raised valid expectations in those affected by the restructuring by announcing its main features or starting to implement the plan.

Customer redress provisions comprise the estimated cost of making redress payments to customers, clients and counterparties for losses or damages associated with inappropriate judgment in the execution of the Companies activities. Other than the bereavement provision there were no customer redress provisions at 31 December 2020.

4.8 Dividends

Dividends are recognised when they become legally payable. Dividends on ordinary shares are recognised in equity in the period in which they are paid or, if earlier, approved by the Company's shareholders.

4.9 Cash and cash equivalents

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

5. Revenue

All of the Company's revenue is derived from the provision of services, fees and commissions as follows:

	2020 £000	2019 £000
Annual management charges	23,026	30,007
Initial service commission	2	9
Registration fees	2,644	3,145
Other income	1	2
Total	25,673	33,163

BARCLAYS ASSET MANAGEMENT LIMITED**Notes to the Financial Statements
For the Year Ended 31 December 2020****6. Direct expenses**

Direct expenses comprise of the following:

	2020 £000	2019 £000
Trail fees paid	4	544
Initial service commission	-	9
Investment management fee	17,095	21,789
Other direct expenses	1,712	2,101
Total	18,811	24,443

7. Profit before tax

The following items have been charged in arriving at profit from operations:

	2020 £000	2019 £000
Head office recharges	1,994	1,883
Third party outsourced costs	2,295	2,572
Auditor's remuneration		
- Audit of the Company's annual financial statements	-	67
- Other services pursuant to legislation	96	178
Total	4,385	4,700

The 2020 year end audit fee of £65,000 has been borne by the Company's parent, Barclays Bank UK PLC and has not been recharged to the Company. The 2020 fees are not recognised as an expense in the financial statements of the Company.

BARCLAYS ASSET MANAGEMENT LIMITED**Notes to the Financial Statements
For the Year Ended 31 December 2020****8. Employee and key management, including Directors emoluments**

The Company has no direct employees during 2020 and 2019. All staff employed in the business were contracted to Barclays Execution Services Limited or Barclays Bank UK PLC. These costs are included in the Head office recharges above.

Disclosures of the Directors' remuneration as required by the Companies Act 2006 are as follows:

	2020 £000	2019 £000
Aggregate remuneration in respect of qualifying services	162	28
Aggregate amounts receivable under long-term incentive schemes	-	-
Aggregate contributions due to Barclays Group Pension scheme	-	-
Total	<u>162</u>	<u>28</u>

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, including the Directors of the Company listed on page 2, and the Financial Controller of the Company.

During the year, no Directors' exercised options under the Barclays PLC Sharesave scheme and Long Term Incentive Schemes (2019: one).

The Company has made no loans, guarantees or other such dealings to its Directors during the year (2019: nil).

9. Tax expense**9.1 Income tax recognised in profit or loss**

	2020 £000	2019 £000
Current tax		
Current tax on profits for the year	471	764
Total current tax	<u>471</u>	<u>764</u>
Total tax expense	<u>471</u>	<u>764</u>

BARCLAYS ASSET MANAGEMENT LIMITED**Notes to the Financial Statements
For the Year Ended 31 December 2020****9. Tax expense (continued)****9.1 Income tax recognised in profit or loss (continued)**

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

	2020 £000	2019 £000
Profit for the year	2,006	3,256
Income tax expense	471	764
Profit before income taxes	2,477	4,020
Tax using the Company's domestic tax rate of 19% (2019:19%)	471	764
Total tax expense	471	764

Changes in tax rates and factors affecting the future tax charges

On 22 July 2020 the Finance Act 2020 received Royal Assent, enacting the UK corporation tax rate would remain at 19% from 1 April 2020 onwards instead of reducing to 17%, the previously enacted rate. This rate has therefore been used to calculate current and deferred taxes for the year ended 31 December 2020.

9.2 Current tax liabilities

	2020 £000	2019 £000
UK Corporation tax payable	471	764
	471	764

UK Corporation tax is settled to the parent company Barclays Bank UK PLC.

10. Dividends

	2020 £000	2019 £000
First interim dividend of £5.22 (2019: £34.78) per Ordinary share paid during the year	3,000	20,000
Second interim dividend of £6.96 (2019: £nil) per Ordinary share paid during the year	4,000	-
Third interim dividend of £1.74 (2019: £nil) per Ordinary share paid during the year	1,000	-
Total	8,000	20,000

BARCLAYS ASSET MANAGEMENT LIMITED**Notes to the Financial Statements
For the Year Ended 31 December 2020****11. Trade and other receivables**

	2020 £000	2019 £000
Trade receivables	30,927	11,145
Receivables from related parties	2,262	2,589
Total trade and other receivables	<u>33,189</u>	<u>13,734</u>
Total current portion	<u>(33,189)</u>	<u>(13,734)</u>

The carrying value of trade and other receivables classified as loans and other receivables approximates fair value.

The specific risks to which the Company is exposed in relation to these balances are discussed further in note 16.

12. Cash and cash equivalents

	2020 £000	2019 £000
Cash at bank available on demand	4,237	10,036
Short term deposits	477	504
Cash and cash equivalents in the statement of financial position	<u>4,714</u>	<u>10,540</u>
Cash and cash equivalents in the statement of cash flows	<u>4,714</u>	<u>10,540</u>

BARCLAYS ASSET MANAGEMENT LIMITED**Notes to the Financial Statements
For the Year Ended 31 December 2020****13. Trade and other payables**

	2020 £000	2019 £000
Trade payables	31,708	11,892
Payables to related parties	1,821	2,160
Other payables	84	-
Total financial liabilities	33,613	14,052
Other payables - UK Corporation tax	471	764
Total trade and other payables	34,084	14,816
Total current portion	(34,084)	(14,816)

The carrying value of trade and other payables classified as financial liabilities measured at amortised cost approximates fair value.

The specific risks to which the Company is exposed in relation to these balances are discussed further in note 16.

14. Provisions

	£000
At 1 January 2020	-
Charged to profit or loss	355
At 31 December 2020	355

Accounting estimates and judgements

The calculation of the provisions for customer redress involves estimation and judgements. Customers redress provisions comprise the estimated costs of making redress payments to customers clients and counterparties for losses or damages associated with inappropriate judgement in the execution of our business activities.

There have been administrative issues in notification of bereavement accounts to beneficiaries which has resulted in the Company not returning sums owed on a timely basis. The provision reflects the estimated financial impact of compensatory interest to be paid for the period that the sums were held by the Company in error in addition to an element of operational costs.

BARCLAYS ASSET MANAGEMENT LIMITED**Notes to the Financial Statements
For the Year Ended 31 December 2020****15. Share capital****Authorised**

	2020 Number	2020 £000	2019 Number	2019 £000
Shares treated as equity				
Ordinary shares of £1.00 each	575,000	575	575,000	575
	<u>575,000</u>	<u>575</u>	<u>575,000</u>	<u>575</u>

Issued and fully paid

	2020 Number	2020 £000	2019 Number	2019 £000
Ordinary shares of £1.00 each				
At 1 January and 31 December	575,000	575	575,000	575
	<u>575,000</u>	<u>575</u>	<u>575,000</u>	<u>575</u>

The shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

BARCLAYS ASSET MANAGEMENT LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2020

16. Financial instruments - fair values and risk management

16.2 Market risk

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

16.3 Foreign currency risk management

As the Company has no forward exposures to foreign currency transactions, no foreign currency exchange rate assumptions requiring sensitivity analysis have been employed in the income statement or equity.

16.4 Interest rate risk

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

As the Company's exposure to interest rate risk is limited to the finance income earned on its cash and cash equivalents, no interest rate assumptions requiring sensitivity analysis have been employed in the income statement or equity. Interest expense arises on overdrafts which are held with Barclays Bank UK PLC. The amounts earned or charged are not material to the Company's financial results.

16.5 Price risk

Due to the nature of the Company's activities it has no significant exposure to price risk.

BARCLAYS ASSET MANAGEMENT LIMITED**Notes to the Financial Statements
For the Year Ended 31 December 2020****16. Financial instruments - fair values and risk management (continued)****16.6 Credit risk**

Credit risk is the risk of suffering financial loss, should any of the Company's customers or market counterparties fail to fulfil their contractual obligations to the Company. The Company contracts with major UK banking institutions with credit ratings of A- or better. Given the credit rating of the Company's counterparties as well as the short term nature of the balances where settlement is expected within 30 days, expected credit losses are not material

The Company assesses all counterparties, including its customers, for credit risk before contracting with them and there were no significant concentrations of credit risk at either year end.

Maximum exposure to credit risk.

The following table shows the maximum exposure to credit risk at 31 December 2020 and 2019:

	2020	2019
	£000	£000
Trade receivables	30,927	11,145
Cash and cash equivalents	4,714	10,540
Total	35,641	21,685

16.7 Liquidity risk

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

The Company maintains a mixture of long term and short term committed facilities, including financial support from the parent company, Barclays Bank UK PLC, that are designed to ensure the Company has sufficient available funds for operations and planned expansion.

All of the Company's financial assets and liabilities at 31 December 2020 and 2019 were effectively due on demand. The financial liabilities arise when a customer exits a product or the product has matured and the settlement to the customer has not been completed at the balance sheet date.

16.8 Fair value measurements

Financial instruments include both financial assets and financial liabilities. IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Directors consider that fair value to be reflective of the amortised cost reflected on balance sheet.

BARCLAYS ASSET MANAGEMENT LIMITED**Notes to the Financial Statements
For the Year Ended 31 December 2020****17. Related party transactions**

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

17.1 Other related party transactions

Other related party transactions are as follows:

Related party relationship	Type of transaction	Transaction amount		Balance outstanding	
		2020 £000	2019 £000	2020 £000	2019 £000
Other related parties	Revenue	25,670	33,152	-	-
Fellow subsidiary companies	Recharges	(927)	(1,170)	-	-
Fellow subsidiary companies	Investment management fees	(17,095)	(21,817)	-	-
Other related parties	Expenses	(2,362)	(2,730)	-	-
Parent company	Assets	-	-	4,714	10,540
Parent company	Liabilities	-	-	(836)	(777)
Fellow subsidiary companies	Asset	-	-	73	98
Fellow subsidiary companies	Liabilities	-	-	(1,643)	(1,869)
Other related parties	Assets	-	-	2,189	2,491
Other related parties	Liabilities	-	-	(168)	(300)
Total		5,286	7,435	4,329	10,183

Other related parties consist of the funds that the Company is the manager and include: Barclays Wealth Investment Funds (UK), Barclays Multi-Manager Fund (UK), Barclays Multi-Manager (UK Series 2), Barclays Dividend and Growth Portfolio, Barclays Charity Fund and Barclays Portfolio SICAV up to 28th March 2019.

BARCLAYS ASSET MANAGEMENT LIMITED**Notes to the Financial Statements
For the Year Ended 31 December 2020**

Continued

18. Capital management

The Company's objectives when managing capital are:

- To safeguard the Company's ability to continue as a going concern
- To maintain sufficient capital to support business growth
- To maintain a level of capital required to meet Financial Conduct Authority requirements

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

The Company regards capital as its equity, as shown in the Statement of Financial Position. The balances in capital are in line with the disclosures provided in the regulatory reporting returns submitted by the Company to the Financial Conduct Authority and the Prudential Regulation Authority.

The minimum capital requirement has been met throughout the year.

Total capital is as follows:

	2020 £000	2019 £000
Called up share capital	575	575
Retained earnings	2,889	8,883
Total capital resources	3,464	9,458

BARCLAYS ASSET MANAGEMENT LIMITED**Notes to the Financial Statements
For the Year Ended 31 December 2020****19. Interests in structured entities**

A structured entity is an entity in which voting or similar rights are not the dominant factor in deciding which entity controls it. Structured entities are generally created to achieve a narrow and well defined objective and there are specific restrictions around their ongoing activities.

Unconsolidated structured entities

The Company may hold interests in structured entities it would not have to consolidate. The nature and extent of its interests in unconsolidated structured entities, and the risks associated with its interest in those entities are set out below.

Unconsolidated structured entities in which the Company has an interest

An interest in a structured entity is any form of investment or arrangement which creates variability in returns arising from the performance of the structured entity for the Company but which it is not able to influence or the interest is insufficient to lead to the consolidation of the structured entity. Such interests include, but are not limited to, loans and advances to customers and investment management fees arrangements as these are subject to non-payment / credit risk and relate to our on-going involvement with the funds.

The level of risk that the Company is exposed to is determined by the nature and purpose of it holding an interest in the entity.

Nature of interest	Balance sheet line item	2020	2019
		Investment funds £000	Investment funds £000
Other assets	Trade and other receivables	2,190	2,491
Total on balance sheet exposure		2,190	2,491
Maximum exposure to loss		2,190	2,491

The Company's maximum exposure to loss has been calculated as the sum of its on-balance sheet exposure to interests in unconsolidated structured entities.

The Company acts as Authorised Corporate Director and Alternative Investment Manager to a number of investment funds. The entities are unconsolidated structured entities in that any voting rights or similar rights are not the dominant factor in deciding who controls the entity.

The Company provides management services to these entities and the maximum exposure to loss from these entities is equal to accrued income and fees receivable at the year end from these structured entities.

The total sizes of the entities are £3.05bn (2019: £3.29bn) which represents the assets under management in these structures. The reduction year on year is due to the impact of the COVID-19 pandemic.

BARCLAYS ASSET MANAGEMENT LIMITED

Notes to the Financial Statements For the Year Ended 31 December 2020

20. Parent undertaking and ultimate holding company

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

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

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

21. Events after the reporting date

In the 3rd of March 2021 UK Budget, it was announced that the UK rate of corporation tax will increase from 19% to 25% effective 1 April 2023. The change was not substantively enacted or enacted at the balance sheet date.

Following a strategic review of the Company's existing range of UK funds, a merger program has commenced to consolidate the Barclays Multi-Manager Fund (UK Series 2) (the "existing company") and the Barclays Multi-Manager Fund (UK) (the "receiving company"). The mergers were approved by the shareholders on the 9th April 2021 and are scheduled to be implemented on the 28th May 2021. The Company is not expecting a material impact to its profits as a result of the merger.

The UK Brexit transition period ended on the 31st December 2020. The Company is not expecting any specific challenges to arise as a result of Brexit.