

US Real Estate Holdings No. 1 Limited

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 20th January 2016**

REGISTERED NUMBER: 9959621



US Real Estate Holdings No. 1 Limited

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**US Real Estate Holdings No.1 Limited (Company Number: 9959621)
Directors' Report
For the period ended 20 January 2016**

The Directors present their report together with the audited financial statements of US Real Estate Holdings No.1 Limited (the "Company") for the period ended 20th January 2016.

Profits and Dividends

During the period the Company made a profit before tax of \$99,602. During the period, the Company has not paid an interim dividend. The Directors do not recommend the payment of a final dividend.

Directors

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

Listor, Glenn	(appointed on 19th January 2016)
Millar, Rachael Marce	(appointed on 19th January 2016)
Nahley, Stephen L.	(appointed on 19th January 2016)
Napolitano, Robert	(appointed on 19th January 2016)
Sellazzo, Edward	(appointed on 19th January 2016)
Tobiasen, Timothy	(appointed on 19th January 2016)
Westwood, Jai	(appointed on 19th January 2016)

Going concern

The parent of the Company is Barclays Bank PLC ("the Group"). The ultimate Holding company and the parent company of the largest group that presents group financial statements is Barclays PLC.

After reviewing the Company's performance projections, the available banking facilities and taking into account the support available from Barclays Bank PLC, the Directors are satisfied that the Company has adequate access to resources to enable it to meet its obligations and to continue in operational existence for the foreseeable future. For this reason, the Directors have adopted the going concern basis in preparing these financial statements.

Place of business outside UK

The Company has a place of business in the United States of America which is included in the financial statements of the Company. The company applied for branch exemption in UK for period commencing 21st January 2016 and all subsequent periods. The company is treated as a disregarded entity for US tax purposes effective from the date of incorporation.

Statement of Directors' responsibilities

The Directors are responsible for preparing 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 the Directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. In preparing these financial statements, the Directors have also elected to comply with IFRSs, issued by the International Accounting Standards Board (IASB). 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 accounting estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union and IFRSs as issued by the International Accounting Standards Board (IASB),

US Real Estate Holdings No.1 Limited (Company Number: 9959621)
Directors' Report
For the period ended 20 January 2016

have been followed, subject to any material departures disclosed and explained in the financial statements;

- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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 also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial risk management

The Company's activities are exposed to a variety of financial risks. The Company is required to follow the requirements of the Barclays Group 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 15.

Directors third party indemnity provisions

Qualifying third party indemnity provisions are in force for the benefit of the Directors in relation to certain losses and liabilities which they may incur (or have incurred) in connection with their duties, powers or office.

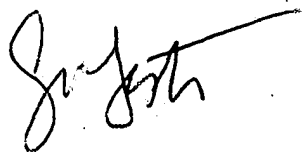
Independent auditors

PricewaterhouseCoopers LLP will continue to hold office in accordance with Section 487 of the Companies Act 2006.

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 Auditors 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 Auditors are aware of that information.

ON BEHALF OF THE BOARD



Glenn Lister
Director
22nd December 2016
Company number 9959621

US Real Estate Holdings No.1 Limited (Company Number: 9959621)
Strategic Report
For the period ended 20 January 2016

Principal Activities and Review of Business

The principal activity of the Company is to hold and maintain interests in US real estate assets, which are made available to other members of the Group.

Business Performance

The Company reported a profit before tax of \$99,602 for the period. The Company has net assets of \$759,564,237.

Strategy and future outlook

No significant change in the Company's principal activity is envisaged in the foreseeable future and the Directors expect the Company's performance to be in line with the current period. The directors consider that the Company's position at the end of the period is consistent with the size and complexity of the business.

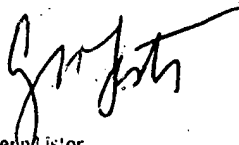
Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. Accordingly, the principal risks and uncertainties of the Group, which include those of the Company, are discussed in pages 120 to 209 of the Barclays PLC 2015 annual report which does not form part of this report.

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. The development, performance and position of the Company, is discussed on pages 218 to 225 of the Barclays PLC 2015 annual report which does not form part of this report.

ON BEHALF OF THE BOARD



Gervy Lister
Director
22nd December 2016
Company number 9959621

Independent auditors' report to the members of US Real Estate Holdings No 1 Limited

Report on the financial statements

Our opinion

In our opinion, US Real Estate Holdings No 1 Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 20 January 2016 and of its profit for the period (the "period") then ended;
 - have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
 - have been prepared in accordance with the requirements of the Companies Act 2006.
-

What we have audited

The financial statements, included within the Directors' Report and Financial Statements (the "Annual Report"), comprise:

- the Balance Sheet as at 20 January 2016;
- the Statement of Comprehensive Income for the period then ended;
- the Statement of Changes in Equity for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is IFRSs as adopted by the European Union, and applicable law.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinions on other matters prescribed by the Companies Act 2006

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

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

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' responsibilities set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



Sheena Coutinho (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
29 December 2016

US Real Estate Holdings No.1 Limited (Company Number: 9959621)
Statement of Comprehensive Income
For the period ended 20 January 2016

	Note	2016 \$
Continuing operations		
Revenue	5	207,514
Total income		207,514
Operating expenses	6	107,912
Profit before tax		99,602
Tax expenses	7	41,454
Profit after tax		58,148
Total comprehensive income for the period		58,148

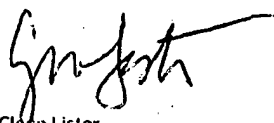
The accompanying notes on pages 9 to 18 form an integral part of the financial statements.

US Real Estate Holdings No.1 Limited (Company Number: 9959621)
Balance Sheet
As at 20 January 2016

	Note	2016 \$
ASSETS		
Non-current assets		
Property, plant and equipment	9	22,938,699
Investment property	10	726,640,724
Prepayments		9,818,754
Deferred tax assets	14	
Total non-current assets		759,398,177
Current assets		
Trade and other receivables	8	207,514
Total current assets		207,514
Total assets		759,605,691
LIABILITIES		
Current liabilities		
Current tax liabilities	11	41,454
Total current liabilities		41,454
Total liabilities		41,454
Net assets		759,564,237
SHAREHOLDERS' EQUITY		
Share capital	12	10,000
Share Premium	13	759,496,089
Retained earnings		58,148
Total equity		759,564,237

The accompanying notes on pages 9 to 18 form an integral part of the financial statements.

The financial statements on page 6 to 18 were approved by the Board of Directors and authorised for issue on 22 December 2016 and were signed on its behalf by



Glenn Lister
 Director
 22nd December 2016

US Real Estate Holdings No.1 Limited (Company Number: 9959621)
Statement of Changes in Equity
As at 20 January 2016

	Share capital \$	Share Premium \$	Retained earnings \$	Total equity \$
Balance at 19 January 2016	-	-	-	-
Addition during the period	10,000	759,496,089	-	759,506,089
Profit after tax	-	-	58,148	58,148
Balance at 20 January 2016	10,000	759,496,089	58,148	759,564,237

The accompanying notes on pages 9 to 18 form an integral part of the financial statements.

US Real Estate Holdings No 1 Limited (Company Number: 9959621)
Notes to the financial statements
For the period ended 20 January 2016

1. Reporting entity

These financial statements are prepared for US Real Estate Holdings No.1 Limited (the 'Company'), the principal activity of which is to hold and maintain interests in US real estate assets, which are made available to other members of the Group. The parent undertaking of the smallest group that presents consolidated financial statements is Barclays Bank PLC and the ultimate holding company and the parent undertaking of the largest group that presents group financial statements is Barclays PLC, both of which prepare consolidated financial statements in accordance with International Financial Reporting Standards ('IFRS'), and accordingly consolidated financial statements have not been prepared.

The Company is a private limited company, domiciled and incorporated in the United Kingdom. The address of the registered office of the Company is 1 Churchill Place, London, E14 5HP, England.

2. Compliance with International Financial Reporting Standards

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and interpretations (IFRICs) issued by the Interpretations Committee, as published by the International Accounting Standards Boards (IASB). They are also in accordance with IFRS and IFRIC Interpretations endorsed by the European Union.

3. 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 throughout the period.

Basis of preparation

After reviewing the Company's performance projections, the available banking facilities and taking into account the support available from Barclays Bank PLC, the Directors are satisfied that the Company has adequate access to resources to enable it to meet its obligations and to continue in operational existence for the foreseeable future. For this reason, the Directors have adopted the going concern basis in preparing these financial statements.

The financial statements have been prepared on a going concern basis, under the historical cost convention modified to include the fair valuation of certain financial instruments to the extent required or permitted under IAS 39, 'Financial Instruments, recognition, and measurement' as set out in the relevant accounting policies. They are presented in USD (\$), the functional currency of the Company.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the accounting policies. The notes to the financial statements set out areas involving a higher degree of judgment or complexity, or areas where assumptions are significant to the financial statements.

(a) New and amended standards adopted by the Company

A number of standards have been modified on miscellaneous points with effect from January 1, 2015. Such changes include Annual Improvement to IFRS 2010-2012 cycle and Annual Improvement to IFRS 2011-2013 cycle. None of these amendments has a material effect on the company's financial statements.

US Real Estate Holdings No 1 Limited (Company Number: 9959621)
Notes to the financial statements
For the period ended 20 January 2016

3. Summary of significant accounting policies (continued)

(b) New standards and interpretations not yet adopted by the Company

• IFRS 9, 'Financial Instruments'

The standard addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI and fair value through P&L. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. The standard is not required to be applied until periods beginning on or after 1 January 2018. The standard has not been endorsed by the EU. Adoption of standard is not expected to have a significant impact.

• IFRS 15, 'Revenue'

The standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. It defines a new five-step model to recognise revenue from customer contracts. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. During July 2015 the IASB confirmed the deferral of the effective date by one year to 1 January 2018. The standard has not been endorsed by the EU. Adoption of standard is not expected to have a significant impact.

• IFRS 16 – Leases

This standard replaces the current guidance in IAS 17 and is a far-reaching change in accounting by lessees in particular. Under IAS 17, lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). IFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees. For lessors, the accounting stays almost the same. However, as the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), lessors will also be affected by the new standard. At the very least, the new accounting model for lessees is expected to impact negotiations between lessors and lessees. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. This standard is mandatory for the accounting period beginning on January 1, 2019 and earlier application is permitted if IFRS 15, 'Revenue from Contracts with Customers' is also applied. Adoption of standard is not expected to have a significant impact.

There are no other standards or interpretations that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(c) Critical accounting estimates and judgements

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the accounting policies. The notes to the financial statements set out areas involving a higher degree of judgment or complexity, or areas where assumptions are significant to the financial statements. Critical accounting estimate and judgement is as below-

US Real Estate Holdings No 1 Limited (Company Number: 9959621)
Notes to the financial statements
For the period ended 20 January 2016

3. Summary of significant accounting policies (continued)

(c) Critical accounting estimates and judgements (continued)

• Investment property

745 property and associated assets with a carrying value of \$726,640,724 as on 20th January 2016 were transferred over from Long Island Holding A LLC into US Real Estate Holdings No. 1 Limited and has been reported as investment property. The same has been reported at fair value based on book value in the transferring entity and supported by external valuation from Deloitte Transactions and Business Analytics LLP, where relevant. Investment Property was valued independently by Deloitte using three different approaches (namely Cost Approach, Sales Comparison Approach and Income Approach). The resultant valuation from all three approaches was largely range bound and hence the investment property as reflected in the financial statements is considered to be reasonable and supportable.

Measurement processes are consistent with the Group's approach at valuing Investment Property in other subsidiaries, reflecting the Company's intent and ability to continue supporting the Group's commercial real estate lending activities in future.

(d) Share Capital

Share capital classified as equity represents ordinary shares issued at cost.

(e) Rental Income

The Company provides real estate services to Group companies based on service agreement and revenue is generated by recharging costs to Barclays Bank PLC and its related affiliates for provision of real estate services. Revenue from services is recognised on an accrual basis as rental income.

(f) Interest

Interest income or expense is recognised on all interest bearing financial assets classified as loans and other receivables and on interest bearing financial liabilities using effective interest rate method.

(g) 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.

(h) Foreign currency translation

The financial statements are presented in USD (\$), the functional currency of the Company.

Foreign currency transactions are translated into USD 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.

Non-monetary assets that are measured at fair value are translated using the exchange rate at the date that the fair value was determined.

For the purpose of translation of the operations of foreign branches into the presentation currency of the financial statements, assets, liabilities and equity of foreign operations are translated at the closing rate, and items of income and expense are translated into USD at the rates prevailing on the dates of the transactions. The exchange differences arising on the translation of a foreign operation are included in currency translation reserves within shareholders' equity and included in profit or loss when the Company disposes its foreign operations.

US Real Estate Holdings No 1 Limited (Company Number: 9959621)
Notes to the financial statements
For the period ended 20 January 2016

3. Summary of significant accounting policies (continued)

(i) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and if applicable, provisions for impairment. Additions and subsequent expenditures are capitalised only to the extent that they enhance the future economic benefits expected to be derived from the assets.

Depreciation is provided on the depreciable amount of items of property, plant and equipment on a straight-line basis over their estimated useful lives. The depreciable amount is the gross carrying amount, less the estimated residual value at the end of its economic life.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

The Company uses the following annual rates in calculating depreciation:

Property, plant and equipment categories	Useful lives
Computer equipment	4 to 6 years

Depreciation rates, methods and the residual values underlying the calculation of depreciation of items of property, plant and equipment are kept under review to take account of any change in circumstances.

When deciding on depreciation rates and methods, the principal factors the Company takes into account are the expected rate of technological developments and expected market requirements for, and the expected pattern of usage of, the assets. When reviewing residual values, the Company estimates the amount that it would currently obtain for the disposal of the asset after deducting the estimated cost of disposal if the asset were already of the age and condition expected at the end of its useful life.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

(j) Impairment of property, plant and equipment

At each balance sheet date, or more frequently where events or changes in circumstances dictate, property, plant and equipment and intangible assets are assessed for indications of impairment. If indications are present, these assets are subject to an impairment review. The impairment review comprises a comparison of the carrying amount of the asset with its recoverable amount: the higher of the asset's or the cash-generating unit's net selling price and its value in use. Net selling price is calculated by reference to the amount at which the asset could be disposed of in a binding sale agreement in an arm's length transaction evidenced by an active market or recent transactions for similar assets. Value in use is calculated by discounting the expected future cash flows obtainable as a result of the asset's continued use, including those resulting from its ultimate disposal, at a market based discount rate on a pre-tax basis.

The carrying values of property, plant and equipment and intangible assets are written down by the amount of any impairment and this loss is recognised in the statement of comprehensive income in the period in which it occurs. A previously recognised impairment loss may be reversed in part or in full when a change in circumstances leads to a change in the estimates used to determine the related asset's recoverable amount. The carrying amount of the asset will only be increased up to the amount that it would have been had the original impairment not been recognised. For the purpose of conducting impairment reviews, cash-generating units are the lowest level at which management monitors the return on investment on assets.

(k) Investment property

Real estate assets are classified as investment property under IAS40. The property is held to earn rentals and is stated at its fair value at the balance sheet date. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise. The valuation of the investment property is done by external valuation experts. The position would be reviewed annually.

US Real Estate Holdings No 1 Limited (Company Number: 9959621)
Notes to the financial statements
For the period ended 20 January 2016

3. Summary of significant accounting policies (continued)

(l) 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 benefits will be necessary to settle the obligation, and these can be reliably estimated.

When a leasehold property ceases to be used in the business, or a demonstrable commitment has been made to cease to use a property where the costs exceed the benefits of the property, provision is made, where the unavoidable costs of the future obligations relating to the lease are expected to exceed anticipated rental income. The net costs are discounted using market rates of interest to reflect the long-term nature of the cash flows.

Provision is made for the anticipated cost of restructuring, including redundancy costs when an obligation exists. An obligation exists when the Company has a detailed formal plan for restructuring a business and has raised valid expectations in those affected by the restructuring by starting to implement the plan or announcing its main features. The provision raised is normally utilised within nine months.

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events or present obligations where the transfer of economic benefit is uncertain or cannot be reliably measured. Contingent liabilities are not recognised but are disclosed unless they are remote.

(m) Current and deferred income tax

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

Deferred income tax is provided in full, using the liability method, on temporary differences arising from the differences between the tax bases of assets and liabilities and their carrying amounts in the Company's financial statements. Deferred income tax is determined using tax rates and legislation enacted or substantially 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.

(n) Trade Receivables

Trade and other receivables are amounts due from Barclays group entities for real estate services provided as well as the amount due for the share capital which is called up but unpaid. If collection is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for any impairment.

(o) Trade Payables

Trade payables are obligations to pay for services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost.

US Real Estate Holdings No 1 Limited (Company Number: 9959621)
Notes to the financial statements
For the period ended 20 January 2016

4. Audit fee

The audit fee for the period \$41,244 is borne by Barclays Bank PLC and would be recharged to the Company. This fee is not recognised as an expense in the financial statements.

5. Revenue

	2016 20 th January \$
Rental income	207,514

6. Operating expenses

	2016 20 th January \$
Depreciation on equipment	20,972
Fair value loss on investment property	86,940
Total	107,912

The Company does not have any person employed during the period.

7. Income tax expense

The analysis of the charge for the period is as follows:

	2016 20 th January \$
Current tax	
Current period	(41,503)
Adjustments for prior years	
Foreign exchange	49
Current tax charge	(41,454)
Deferred tax	
Current period	-
Adjustments for prior years	-
Overall tax charge in the Income Statement	(41,454)

During the period, for companies subject to the main rate of corporate tax, the tax rate from 1 April 2015 reduced from 21% to 20% resulting in a current tax rate for the period of 20%. In October 2015 the main rate of UK corporation tax was reduced from 20% to 19% from 1 April 2017 and 18% from 1 April 2020.

A numerical reconciliation of the applicable tax rate and the average effective tax rate is as follows:

	2016 20 th January \$
Profit before tax	99,603
Tax charge at standard UK corporation tax rate of 20% (2015: 20%)	(19,921)
Effects of:	
Adjustments in respect of prior years	-
Depreciation on non qualifying fixed assets additions	(17,388)
Temporary differences not recognised	(4,194)
Foreign exchange difference	49
Overall tax (charge)/ credit	(41,454)
Effective tax rate %	41.62%

US Real Estate Holdings No 1 Limited (Company Number: 9959621)
Notes to the financial statements
For the period ended 20 January 2016

8. Trade and other receivables

	2016 20 th January \$
Trade receivables	207,514
Total	207,514

Trade and other receivables at the balance sheet date primarily comprise balances due from other group companies. The Directors consider that the carrying value of the Company's trade and other receivables approximates their fair value.

Trade and other receivables, which are measured at amortised cost, are classified as Level 2 in the fair value hierarchy.

9. Property, plant and equipment

	Equipment \$	Assets under construction \$	Total \$
Cost			
At beginning of period	-	-	-
Additions	20,252,654	2,707,017	22,959,671
Transfers	-	-	-
Disposals	-	-	-
Currency translation differences	-	-	-
As at 20 January	20,252,654	2,707,017	22,959,671
Accumulated depreciation and impairment			
At beginning of period	-	-	-
Disposals	-	-	-
Depreciation charge for period	20,972	-	20,972
Currency translation differences	-	-	-
As at 20 January	20,972	-	20,972
Net book value	20,231,682	2,707,017	22,938,699

10. Investment Property

Movements in, and details of, the Company's investment property is as follows:

	2016 20 th January \$
At 19 January	-
Additions to investment property	726,727,663
Less: Fair value losses	86,939
As at 20 January	726,640,724

*Investment property was transferred to the company as a contribution by the company's parent, Long Island Holding A LLC.

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11. Current tax liabilities

Current tax liabilities were as follows:

	2016 20 th January \$
UK corporation tax (payable)/ Group relief receivable	41,454

12. Share capital

Particulars of the Company's share capital were as follows:

	Number of shares	Ordinary shares \$
At 20 January 2016	1,000,000	10,000

At the period end, the issued share capital of the Company is \$ 10,000 comprising of 1,000,000 ordinary shares of \$ 0.01 each. All shares are issued and the receivable towards sale of share is reflected in trade and other receivable.

13. Share premium

	2016 20 th January \$
Share premium	759,496,089

During the period, Long Island Holding A LLC transferred its interest in 745 property to the Company. The value of the interest in these properties was estimated at \$759,506,089. This transfer has been accounted as increasing the company's share premium by \$759,496,089 with a corresponding increase in the Property, plant and equipment and investment property.

14. Deferred tax assets

A deferred tax asset in respect of property plant and equipment of \$3,775 has not been recognised because it is not probable that future taxable profits will be available against which the entity can utilise the benefit.

15. Financial risks

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

The Company's Directors are required to operate within the requirements of the Barclays Group risk management policies. These policies 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 and comply with the requirements. The risks are managed on a portfolio basis and are identified on an exception basis.

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 assesses all counterparties on a portfolio basis to ensure the credit risk is maintained within Barclays Group risk management policy guidelines. The Company monitors its exposures and seeks to minimize its credit exposures by monitoring the credit rating of its counterparties in accordance with Barclays Group risk management policies. The Company's assets are neither past due or impaired. The company's assets are of investment grade.

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15. Financial risks (Continued)

Liquidity risk

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

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 and foreign exchange rates.

Foreign currency risk

Foreign exchange risk is the extent to which the Company's foreign currency assets are not matched by foreign exchange borrowings in the same currency.

The Company is exposed to foreign currency risk from future currency transactions and recognised assets and liabilities.

The Company exchanges its foreign currency positions into USD on a frequent basis. Foreign currency risk is not considered to be significant for the Company and hence exchange rate sensitivity analysis is not performed.

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, immediate/ultimate parent company, subsidiary, associated and joint venture companies, as well as the Company's key management which includes its Directors.

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

Period ended 20 January 2016	Immediate Parent company \$	Fellow subsidiaries \$	Total \$
Transactions			
Rental income	-	207,514	207,514
Transfer of property, plant and equipment	22,938,699	-	22,938,699
Transfer of investment property	726,640,724	-	726,640,724
Transfer of prepayments	9,818,754	-	9,818,754
Share capital issued	10,000	-	10,000
Contribution to share premium	759,496,089	-	759,496,089
Balances outstanding at 20 January 2016:			
Assets			
Trade and other receivables	-	207,514	207,514

17. Events after the Balance Sheet Date

On 20 January 2016, the parent of the Company was Long Island Holding A LLC. On 27 January 2016, Long Island Holding A LLC transferred its interest in the Company to Real Estate Participation Services Limited.

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18. Capital management

Barclays Group operates a centralised capital management model, considering both regulatory and economic capital. The capital management strategy is to continue to maximise shareholder value through optimising both the level and mix of capital resources. Decisions on the allocation of capital resources are conducted as part of the strategic planning review.

The Group's capital management objective relevant to the company is to maintain sufficient capital resources to support the Group's risk appetite and economic capital requirements. The company is not subject to any externally imposed capital management. The company has the commitment from the Group to infuse additional capital where required.

19. Parent undertaking and ultimate holding company

The ultimate holding company and the parent company of the largest group that presents group financial statements is Barclays PLC. Barclays Bank PLC and Barclays PLC are companies incorporated in the United Kingdom and registered in England. Barclays Bank PLC's and Barclays PLC's statutory financial statements are available from Barclays 1 Churchill Place, London, E14 5HP, England.