

Registered number in England and Wales: 02958400

US REAL ESTATE HOLDINGS NO. 4 LIMITED

DIRECTORS' REPORT & FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022



US REAL ESTATE HOLDINGS NO. 4 LIMITED

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US REAL ESTATE HOLDINGS NO. 4 LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their annual report together with the audited financial statements of US Real Estate Holdings No. 4 Limited (the 'Company') for the year ended 31 December 2022.

Profits and dividends

During the year the Company made a profit after tax of \$642,173 (2021: loss after tax of \$280,591). The Directors do not recommend the payment of a final dividend (2021: \$nil). No dividend was paid during the year (2021: \$nil).

Events after the balance sheet date

The investment in NTC Parent Sarl has been fair valued through Profit and Loss account and the same has been valued at NIL as on 31st December 2022. As per 30th June 2023 valuation, the investment has been revalued at USD 751,272.

Directors

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

M Wuest
A Ryles
S Kagan
K Keating

Since the year end, M Glogoff was appointed as a Director on 26th July 2023 and M Wuest resigned as a Director on 30th May 2023.

Going concern

After reviewing the Company's business activities, financial position, performance projections and available banking facilities, 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.

Statement of Directors' responsibilities in respect of the Directors' report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK-adopted international accounting standards and applicable law.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit of the Company for that year.

In preparing these financial statements, the Directors are required to:

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

US REAL ESTATE HOLDINGS NO. 4 LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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

Financial risk management

The Company's activities are exposed to a variety of financial risks. The Company is required to follow the requirements of the Barclays Group ('the Group') risk management policies, which include specific guidelines on the management of foreign exchange, interest rate and credit risks, and advice on the use of financial instruments to manage them. The main financial risks that the Company is exposed to are outlined in Note 13.

Directors third party indemnity provisions

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

Environment

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

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

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

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

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

Disclosure of global greenhouse gas emissions is done at a Barclays Group level with information available in the Barclays PLC 2022 Annual Report, which does not form part of this report, with fuller disclosure available on the Barclays website at <https://home.barclays/sustainability/addressing-climate-change/>.

US REAL ESTATE HOLDINGS NO. 4 LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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 Auditor

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.

Small companies provision

This report has been prepared in accordance with the special provisions applicable to small companies set out in section 415A of the Companies Act 2006. The Company has also taken advantage of the small companies exemption from the requirement to prepare a strategic report.

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

DocuSigned by:

Spencer Kagan

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S Kagan

Director

Date: 26/9/2023

Company number: 02958400

1 Churchill Place, London, E14 5HP

US REAL ESTATE HOLDINGS NO. 4 LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF US REAL ESTATE HOLDINGS NO. 4 LIMITED

Opinion

We have audited the financial statements of US Real Estate Holdings No. 4 Limited ("the Company") for the period ended 31 December 2022 which comprise the Income Statement, the Statement of Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash flows and related notes, including the summary of significant accounting policies in note 4.

In our opinion the financial statements:

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

Basis for opinion

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

Going concern

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

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

Our conclusions based on this work:

- we consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- 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.

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 as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud
- Reading 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

US REAL ESTATE HOLDINGS NO. 4 LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF US REAL ESTATE HOLDINGS NO. 4 LIMITED

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 Company's only source of revenue is from interest earned on deposits with bank. This typically is not subject to a high degree of judgement by management.

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 Barclays Group wide fraud risk management controls.

We also performed procedures including identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual or seldom-used accounts and by individuals who typically do not create or post journal entries.

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, through discussion with the Directors and other management (as required by auditing standards) and discussed with the Directors and other management the policies and procedures regarding compliance with laws and regulations.

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

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

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.

Whilst the Company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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

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

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

Directors' report

The Directors are responsible for the 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 Directors' report and, in doing so, consider whether, based on our financial

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF US REAL ESTATE HOLDINGS NO. 4 LIMITED

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 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.
- the Directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 2 to 4, 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.



Sam Scheuringer (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
27 September 2023

US REAL ESTATE HOLDINGS NO. 4 LIMITED**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	31 December 2022 \$	31 December 2021 \$
Interest income	4	838,119	23,520
Interest expense	4	(3,577)	(403,231)
Foreign exchange (loss)/gain	5	(38,993)	40,309
Profit/(loss) before tax		795,549	(339,402)
Tax (expense)/credit	8	(153,376)	58,811
Profit/(loss) for the year		642,173	(280,591)

The accompanying notes on pages 13 to 31 form an integral part of the financial statements.

US REAL ESTATE HOLDINGS NO. 4 LIMITED**STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	31 Decemeber 2022 \$	31 December 2021 \$
Profit/(loss) for the year	642,173	(280,591)
Current taxation relating to components of other comprehensive income	-	606
Deferred taxation relating to components of other comprehensive income	-	(606)
Other comprehensive expense for the year, net of tax	-	-
Total comprehensive (loss)/income	642,173	(280,591)

The accompanying notes on pages 13 - 31 form an integral part of the financial statements.

US REAL ESTATE HOLDINGS NO. 4 LIMITED
REGISTERED NUMBER: 02958400

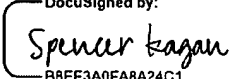
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 \$	2021 \$
Assets			
Current assets			
Loans and advances at amortised cost	10	42,692,589	42,023,520
Current tax (liability)/asset	8.2	-	59,728
Cash and cash equivalents	11	505,259	378,779
		<u>43,197,848</u>	<u>42,462,027</u>
Total assets		<u>43,197,848</u>	<u>42,462,027</u>
Liabilities			
Non-current liabilities			
Current tax liabilities	8.2	97,165	-
		<u>97,165</u>	<u>-</u>
Deferred tax liability	8.3	21,213	24,730
Total liabilities		<u>118,378</u>	<u>24,730</u>
Net assets		<u>43,079,470</u>	<u>42,437,297</u>
Issued capital and reserves			
Share capital	12	6,637,941	6,637,941
Share premium reserve		41,999,862	41,999,862
Capital contribution reserve		81,484,468	81,484,468
Currency translation reserve	9	(416,162)	(416,162)
Retained earnings		(86,626,639)	(87,268,812)
TOTAL EQUITY		<u>43,079,470</u>	<u>42,437,297</u>

The accompanying notes from an integral part of the financial statements.

The financial statements were approved by the board of Directors and authorised for issue and were signed on its behalf by:

S Kagan

DocuSigned by:

 Director
 Company Number: 02958400
 Date: 26/9/2023

US REAL ESTATE HOLDINGS NO. 4 LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital \$	Share premium \$	Capital contribution reserve \$	Currency translation reserve \$	Retained earnings \$	Total equity \$
Balance at 1 January 2022	6,637,941	41,999,862	81,484,468	(416,162)	(87,268,812)	42,437,297
Profit after Tax	-	-	-	-	642,173	642,173
Total comprehensive income for the year	-	-	-	-	642,173	642,173
Balance at 31 December 2022	6,637,941	41,999,862	81,484,468	(416,162)	(86,626,639)	43,079,470

The notes on pages 13 to 31 form part of these financial statements.

	Share capital \$	Share premium \$	Capital contribution reserve \$	Other reserves \$	Retained earnings \$	Total equity \$
At 1 October 2020	6,221,641	-	81,484,468	-	(86,988,221)	717,888
Loss for the period	-	-	-	-	(280,591)	(280,591)
Total comprehensive income for the period	-	-	-	-	(280,591)	(280,591)
Issue of new ordinary share capital	138	41,999,862	-	-	-	42,000,000
Shares redeemed during the period	416,162	-	-	-	-	416,162
Currency Translation Reserve	-	-	-	(416,162)	-	(416,162)
Total contributions by and distributions to owners	416,300	41,999,862	-	(416,162)	-	42,000,000
At 31 December 2021	6,637,941	41,999,862	81,484,468	(416,162)	(87,268,812)	42,437,297

The notes on pages 13 to 31 form part of these financial statements.

US REAL ESTATE HOLDINGS NO. 4 LIMITED**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022	2021
	\$	\$
Cash flows from operating activities		
Profit/(loss) for the year	642,173	(280,591)
Adjustments for		
Net Interest Receivable	(838,119)	(23,520)
Bank charges	3,577	403,231
Tax received	-	67,595
Net foreign exchange loss/(gain)	38,993	(40,309)
Income tax expense	153,376	(58,811)
Cash generated from operations	-	67,595
Cash flows from investing activities		
Deposits with BBPLC	-	(42,000,000)
Interest received on Deposit with BBPLC	169,050	-
Net cash from/(used in) investing activities	169,050	(42,000,000)
Cash flows from financing activities		
Issue of shares at premium	-	42,000,000
Interest on borrowings and bank charges	(3,577)	(403,231)
Proceeds from borrowings	-	198,000,000
Repayment of borrowings	-	(198,000,000)
Net cash (used in)/from financing activities	(3,577)	41,596,769
Net cash increase/(decrease) in cash and cash equivalents	165,473	(335,636)
Cash and cash equivalents at the beginning of year	378,779	674,106
Exchange (loss)/gains on cash and cash equivalents	(38,993)	40,309
Cash and cash equivalents at the end of the year	505,259	378,779

The accompanying notes on pages 13 to 31 form an integral part of the financial statements.

US REAL ESTATE HOLDINGS NO. 4 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. Reporting entity

The Company is a private limited company, domiciled and incorporated in the United Kingdom. The address of the registered office of the Company is at 1 Churchill Place, London, E14 5HP. These financial statements are prepared for the Company, the principal activity of which is to hold investments in other private companies.

These financial statements are prepared for the Company only, in line with the UK Companies Act 2006. 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 UK-adopted international accounting standards.

2. Basis of preparation

The Company financial statements have been prepared in accordance with UK-adopted international accounting standards. The principal accounting policies applied in the preparation of the financial statements are set out below, and in the relevant notes to the financial statements. These policies have been consistently applied.

2.1 Basis of measurement

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

Going Concern

After reviewing the Company's business activities, financial position, performance projections and available banking facilities, 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.

2.2 New and amended standards

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

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

ii) New standards, interpretations and amendments not yet effective

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

The following accounting standards have been issued by the IASB but are not yet effective:

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021 the IASB issued amendments to IAS 1 that require entities to disclose their material accounting policies rather than their significant accounting policies. The amendments to IFRS Practice Statement 2 provide guidance on the concept of materiality and its application to accounting policy information. Under the amendments, accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments are effective for annual periods beginning on or after 1 January 2023, and will be applied from that date.

US REAL ESTATE HOLDINGS NO. 4 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Definition of Accounting Estimate - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8 that replace the definition of a change in accounting estimate. Under the new definition, accounting estimates are clarified as monetary amounts in financial statements that are subject to measurement uncertainty. Where an entity's accounting policy requires an item to be measured at monetary amounts that cannot be observed directly, it should develop an accounting estimate to achieve this objective. The amendments are effective for annual periods beginning on or after 1 January 2023, and will be applied from that date.

Classification of liabilities as current or non-current - amendments to IAS 1

In January 2020 the IASB issued amendments to IAS 1 to clarify the presentation of liabilities in the balance sheet, with an effective date of 1 January 2024. The amendments clarify that a liability should be classified as non-current only if the entity have the right to defer settlement of the liability for at least 12 months after the reporting period, and that (i) the right to defer settlement must exist at the end of the reporting period and (ii) management's intentions or expectations about whether it will exercise its right to defer settlement does not affect the classification. Further clarifications include how lending conditions affect classification and classification of liabilities the entity will or may settle by issuing its own equity instruments. In October 2022, the IASB also issued further amendments to IAS 1 to improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with covenants, and to responded to stakeholders' concerns about the classification of such a liability as current or non-current.

3. Summary of significant accounting policies

3.1 Foreign currency translation

Items included in the financial statements of the Company are measured using their functional currency, being US dollars, the currency of the primary economic environment in which the entity operates.

Foreign currency transactions are translated into USD being the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary items denominated in foreign currencies are translated at the rate prevailing at the period end. Foreign exchange gains and losses resulting from the retranslation and settlement of these items are recognised in the income statement except for qualifying cash flow hedges or hedges of net investments.

Non-monetary assets that are measured at fair value are translated using the exchange rate at the date that the fair value was determined. Exchange differences on equities and similar non-monetary items held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on equities classified as financial assets at fair value through other comprehensive income and non-monetary items are included directly in equity.

3.2 Interest

Interest income on loans and advances at amortised cost and financial assets at fair value through other comprehensive income, and interest expense on financial liabilities held at amortised cost, are calculated using the effective interest method which allocates interest, and direct and incremental fees and costs, over the expected lives of the assets and liabilities.

US REAL ESTATE HOLDINGS NO. 4 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

3.3 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 period 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 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 to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax liabilities are recognised for all taxable temporary differences except from the initial recognition of goodwill. Deferred tax is not recognised where the temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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.

3.4 Financial assets and liabilities

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

Recognition

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

Classification and measurement

Financial assets are classified on the basis of two criteria:

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

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

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

US REAL ESTATE HOLDINGS NO. 4 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

Financial assets and liabilities measured at amortised cost

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

In determining whether the business model is a 'hold to collect' model, the objective of the business model must be to hold the financial asset to collect contractual cash flows rather than holding the financial asset for trading or shortterm profit taking purposes. While the objective of the business model must be to hold the financial asset to collect contractual cash flows this does not mean the Company is required to hold the financial assets until maturity. When determining if the business model objective is to collect contractual cash flows the Company will consider past sales and expectations about future sales.

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

Financial assets measured at fair value through other comprehensive income

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

Other financial assets are measured at fair value through profit and loss. There is an option to make an irrevocable election for non-traded equity investments to be measured at fair value through other comprehensive income, in which case dividends are recognised in profit or loss, but gains or losses are not reclassified to profit or loss upon derecognition, and impairment is not recognised in the income statement.

Financial assets and liabilities at fair value through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income, as described above are measured at fair value through profit or loss (FVTPL). A financial liability is classified as FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

Determining fair value

Where the classification of a financial instrument requires it to be stated at fair value, this is determined by reference to the quoted bid value in an active market wherever possible. Where no such active market exists for the particular asset, the Company uses a valuation technique to arrive at the fair value, including the use of prices obtained in recent arms' length transactions, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants.

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, including loan commitments and financial guarantee contracts, are also in scope of IFRS 9 for ECL purposes.

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

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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 together with any expected drawdowns of committed facilities. The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money.

Determining a significant increase in credit risk since initial recognition:

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

Quantitative test

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

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

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

For existing/historical exposures where origination point scores or data are no longer available or do not represent a comparable estimate of lifetime PD, a proxy origination score is defined, based upon:

- back-population of the approved lifetime PD score either to origination date or, where this is not feasible, as far back as possible (subject to a data start point no later than 1 January 2015), or
- use of available historical account performance data and other customer information, to derive a comparable 'proxy' estimation of origination PD.

Qualitative test

Accounts meet the portfolio's 'high risk' criteria and are subject to closer credit monitoring.

High risk customers may not be in arrears but either through an event or an observed behaviour exhibit credit distress. The definition and assessment of high risk includes as wide a range of information as reasonably available, including industry and Group wide customer level data wherever possible or relevant.

Whilst the high risk populations applied for IFRS 9 impairment purposes are aligned with risk management processes, they are also regularly reviewed and validated to ensure that they capture any

incremental segments where there is evidence of credit deterioration.

Backstop criteria

Accounts that are 30 calendar days or more past due. The 30 days past due criteria is a backstop rather than a primary driver of moving exposures into Stage 2.

Exposures will move back to Stage 1 once they no longer meet the criteria for a significant increase in credit risk and when any cure criteria used for credit risk management are met. This is subject to all

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payments being up to date and the customer evidencing ability and willingness to maintain future payments.

The Company does not rely on the low credit risk exemption which would assume facilities of investment grade are not significantly deteriorated. Determining the PD at initial recognition requires management estimates.

Management overlays and other exceptions to model outputs are applied only if consistent with the objective of identifying significant increases in credit risk.

Forward-looking information

Credit losses are the expected cash shortfalls from what is contractually due over the expected life of the financial instrument, discounted at the original effective interest rate (EIR). ECLs are the unbiased probability-weighted credit losses determined by evaluating a range of possible outcomes and considering future economic conditions. When there is a non-linear relationship between forward-looking economic scenarios and their associated credit losses, five forward-looking economic scenarios are considered to ensure a sufficient unbiased representative sample of the complete distribution is included in determining the expected loss. Stress testing methodologies are leveraged within forecasting economic scenarios.

The measurement of ECL involves increased complexity and judgement, including estimation of PDs, LGD, a range of unbiased future economic scenarios, estimation of expected lives, and estimation of EAD and assessing significant increases in credit risk. Impairment charges will tend to be more volatile and will be recognised earlier. Unsecured products with longer expected lives, such as revolving credit cards, are the most impacted.

The Company utilises an external consensus forecast as the baseline scenario. In addition, two adverse and two favourable scenarios are derived, with associated probability weightings. The adverse scenarios are calibrated to a similar severity to internal stress tests, whilst also incorporating IFRS 9 specific sensitivities and non-linearity.

The most adverse scenarios are benchmarked to the Bank of England's annual cyclical scenarios and to the most severe scenarios from Moody's inventory, but are not designed to be the same. The favourable scenarios are calibrated to be symmetric to the adverse scenarios, subject to a ceiling calibrated to relevant recent favourable benchmark scenarios.

The scenarios include six core variables, (GDP, unemployment and House Price Index in both the UK & US markets), and expanded variables using statistical models based on historical correlations. The probability weights of the scenarios are estimated such that the baseline (reflecting current consensus outlook) has the highest weight and the weights of adverse and favourable scenarios depend on the deviation from the baseline; the further from the baseline, the smaller the weight. A single set of five scenarios is used across all portfolios and all five weights are normalised to equate to 100%. The impacts across the portfolios are different because of the sensitivities of each of the portfolios to specific macroeconomic variables, for example, mortgages are highly sensitive to house prices and base rates, and credit cards and unsecured consumer loans are highly sensitive to unemployment.

Definition of default, credit impaired assets, write-offs, and interest income recognition

The definition of default for the purpose of determining ECLs has been aligned to the Regulatory Capital CRR Article 178 definition of default, which considers indicators that the debtor is unlikely to pay, includes

exposures in forbearance and is no later than when the exposure is more than 90 days past due or 180 days past due in the case of UK mortgages. When exposures are identified as credit impaired or purchased or originated as such interest income is calculated on the carrying value net of the impairment allowance.

Credit impaired is when the exposure has defaulted which is also anticipated to align to when an exposure is identified as individually impaired.

Uncollectible loans are written off against the related allowance for loan impairment on completion of the Barclays Group's internal processes and when all reasonably expected recoverable amounts have been

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collected. Subsequent recoveries of amounts previously written off are credited to the income statement.

Loan modifications and renegotiations that are not credit-impaired

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

Where terms are substantially different, the existing loan will be derecognised and new loan recognised at fair value, with any difference in valuation recognised immediately within the income statement, subject to observability criteria.

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

Expected life

Lifetime ECLs must be measured over the expected life. This is restricted to the maximum contractual life and takes into account expected prepayment, extension, call and similar options. The exceptions are certain revolver financial instruments, such as credit cards and bank overdrafts, that include both a drawn and an undrawn component where the entity's contractual ability to demand repayment and cancel the undrawn commitment does not limit the entity's exposure to credit losses to the contractual notice period. The expected life for these revolver facilities is expected to be behavioural life. Where data is insufficient or analysis inconclusive, an additional 'maturity factor' may be incorporated to reflect the full estimated life of the exposures, based upon experienced judgement and/or peer analysis. Potential future modifications of contracts are not taken into account when determining the expected life or EAD until they occur.

Discounting

ECLs are discounted at the EIR at initial recognition or an approximation thereof and consistent with income recognition. For loan commitments the EIR is the rate that is expected to apply when the loan is drawn down and a financial asset is recognised. Issued financial guarantee contracts are discounted at the risk free rate. Lease receivables are discounted at the rate implicit in the lease.

For variable/floating rate financial assets, the spot rate at the reporting date is used and projections of changes in the variable rate over the expected life are not made to estimate future interest cash flows or for discounting.

Modelling techniques

ECLs are calculated by multiplying three main components, being the PD, LGD and the EAD, discounted at the original EIR. The regulatory Basel Committee of Banking Supervisors (BCBS) ECL calculations are leveraged for IFRS 9 modelling but adjusted for key differences which include:

BCBS requires 12 month through the economic cycle losses whereas IFRS 9 requires 12 months or lifetime point in time losses based on conditions at the reporting date and multiple forecasts of the future economic conditions over the expected lives;

IFRS 9 models do not include certain conservative BCBS model floors and downturn assessments and require discounting to the reporting date at the original EIR rather than using the cost of capital to the date of default;

Management adjustments are made to modelled output to account for situations where known or expected risk factors and information have not been considered in the modelling process, for example forecast economic scenarios for uncertain political events; and

ECL is measured at the individual financial instrument level, however a collective approach where financial instruments with similar risk characteristics are grouped together, with apportionment to individual financial instruments, is used where effects can only be seen at a collective level, for example for forward-looking information.

US REAL ESTATE HOLDINGS NO. 4 LIMITED**NOTES TO THE FINANCIAL STATEMENTS
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For the IFRS 9 impairment assessment, Barclays Group' risk models are used to determine the PD, LGD and EAD. For Stage 2 and 3, Barclays Group applies lifetime PDs but uses 12 month PDs for Stage 1. The ECL drivers of PD, EAD and LGD are modelled at an account level which considers vintage, among other credit factors. Also, the assessment of significant increase in credit risk is based on the initial lifetime PD curve, which accounts for the different credit risk underwritten over time.

3.5 Share capital

Incremental costs directly attributable to the issue of new shares or options or the acquisition of a business are shown in equity as a deduction, net of tax, from the proceeds.

3.6 Cash and cash equivalents for the purposes of cash flow statement

Cash comprises cash on hand and balances at central banks. Cash equivalents comprise loans and advances to banks, cash collateral balances with central banks related to payment schemes and treasury and other eligible bills, all with original maturities of three months or less. Repurchase and reverse repurchase agreements are not considered to be part of cash equivalents. Investments in debt securities at amortised cost, presented within loans and advances on the balance sheet, are deemed to be investing activities for the purposes of the cash flow statement, except those instruments considered to be cash equivalents.

3.7 Critical accounting estimates

The preparation of financial statements in accordance with UK Adopted international accounting standards requires the use of estimates. It also requires management to exercise judgement in applying the accounting policies. The key areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the consolidated and individual financial statements are highlighted under the relevant note.

4. Interest income and expense**Recognised in profit or loss**

	31 Dec 2022	30 Dec 2021
	\$	\$
Interest income		
Interest from related undertakings	838,119	23,520
Total interest income	838,119	23,520
Interest expense		
Interest expense and Bank charges	(3,577)	(403,231)
Total interest expense	(3,577)	(403,231)
Net Interest Income/(expense)	834,542	(379,711)

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FOR THE YEAR ENDED 31 DECEMBER 2022****5. Foreign exchange gain/(loss)**

	31 Dec 2022	31 Dec 2021
	\$	\$
Foreign exchange (losses)/gains	(38,993)	40,309
Total	<u>(38,993)</u>	<u>40,309</u>

Foreign exchange gain/(loss) on revaluation of GBP cash balance.

6. Audit Fee

The audit fees of \$22,735/£18,890 for the 2022 year end (2021:\$23,324/£17,310) have been borne by the Company's parent, Barclays Bank PLC, and have not been recharged to the Company. This fee is not recognised as an expense in the financial statements of the Company.

7. Staff Costs

The Company has no direct employees during 2022 and 2021. All staff employed in the business were contracted to Barclays Execution Services Limited or Barclays Bank PLC. All costs in this respect have not been recharged to the Company.

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. The Directors are employed and remunerated by other companies within the Barclays Group and consider that their services to the company are incidental to their other responsibilities within the Barclays Group. The Directors' remuneration in respect of their qualifying services for the company is considered to be trivial.

During the year:

No Directors are accruing retirement benefits under a defined benefit scheme or defined contribution scheme (2021: 0).

No Directors exercised options under the Barclays PLC Sharesave Scheme and Long Term Incentive schemes during 2022 (2021: nil).

4 Directors are entitled to benefits under the Share Value Plan (2021:3).

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NOTES TO THE FINANCIAL STATEMENTS
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8. Tax

8.1 Income tax recognised in profit or loss

	31 Decmeber 2022 \$	30 December 2021 \$
Current tax (charge)/credit		
Current tax on profits for the year	(154,681)	60,071
Foreign exchange	(2,213)	(769)
Total current tax	(156,894)	59,302
Deferred tax (charge)/credit		
Current period	3,527	4,415
Rate change Adjustment	(9)	(4,906)
Total deferred tax	3,518	(491)
Total tax (charge)/credit	(153,376)	58,811

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:

	31 Decmeber 2022 \$	30 December 2021 \$
Profit/(loss) for the year	642,173	(280,591)
Income tax expense/(credit)	153,376	(58,811)
Profit/(loss) before income taxes	795,549	(339,402)
Tax using the Company's domestic tax rate of 19% (2021:19%)	(151,154)	64,486
Rate change adjustment	(9)	(4,906)
Foreign exchange	(2,213)	(769)
Total tax (charge)/credit	(153,376)	58,811

Changes in tax rates and factors affecting the future tax charges

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

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NOTES TO THE FINANCIAL STATEMENTS
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8. Tax (continued)

8.1 Income tax recognised in profit or loss (continued)

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

8.2 Current tax assets and liabilities

Current tax assets/ (liabilities)

Tax (payable)/recoverable	(97,165)	59,728
	<u>(97,165)</u>	<u>59,728</u>

8.3 Deferred tax (assets) / liabilities

	2022 \$	2021 \$
Provision at start of period	24,730	23,633
Deferred tax charge to income statement for the period	(3,526)	(4,415)
Effect of changes in tax rates	9	4,906
Deferred tax charge to equity for the period	-	606
	<u>21,213</u>	<u>24,730</u>

8.4 Unrecognised deferred tax (assets) / liabilities

	2022 \$	2021 \$
Unrecognised deferred tax	(100,739)	(96,550)
Total unrecognised deferred tax	<u>(100,739)</u>	<u>(96,550)</u>

Legislation has been introduced to increase the main rate of corporation tax from 19% to 25%, effective from 1 April 2023, which was substantively enacted on 24 May 2021. Deferred tax balances at 31 December 2022 have been remeasured at the tax rate to be applied when temporary differences are expected to reverse.

The Company has miscellaneous losses of \$407,354 (2021: \$407,354) that are available indefinitely for offsetting against future taxable profits of the company in which the losses arose. Deferred tax assets have not been recognised in respect of these miscellaneous losses due to the fact that it can be only utilised against miscellaneous gains, and there are no other tax planning opportunities or other evidence of recoverability in the near future.

US REAL ESTATE HOLDINGS NO. 4 LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****9. Currency translation reserve**

	2022	2021
	\$	\$
Currency translation reserve	416,162	416,162
As at 31st Dec	<u>416,162</u>	<u>416,162</u>

10. Loans and advances at amortised cost

	2022	2021
	\$	\$
Current		
Loans and advances to group undertakings	42,692,589	42,023,520
Loans and advances at amortised cost	<u>42,692,589</u>	<u>42,023,520</u>

11. Cash and Cash Equivalents

	2022	2021
	\$	\$
Cash and Cash Equivalents	505,259	378,779
	<u>505,259</u>	<u>378,779</u>

12. Share Capital

	31 Dec 2022	31 Dec 2022	31 Dec 2021	31 Dec 2021
	Number	\$	Number	\$
Issued and fully paid ordinary shares of \$1.38 each				
Opening	4,810,102	6,637,941	4,810,002	6,221,641
Issued during the year 100@1.38	-	-	100	138
Currency translation reserve	-	-	-	416,162
Closing	<u>4,810,102</u>	<u>6,637,941</u>	<u>4,810,102</u>	<u>6,637,941</u>

13. Financial risks

The Company's activities expose it to a variety of financial risks. These are credit risk, liquidity risk and

US REAL ESTATE HOLDINGS NO. 4 LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

market risk, (which includes foreign currency risk, interest rate risk and price risk). Consequently, the Company devotes considerable resources to maintaining effective controls to manage, measure and mitigate each of these risks, and regularly reviews its risk management procedures and systems to ensure that they continue to meet the needs of the business.

The Board of Directors monitors the Company's financial risks and has responsibility for ensuring effective risk management and control.

a) 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, including its investee companies, for credit risk before contracting with them. Risk rating is the main method used to measure credit risk.

Significant concentration of credit risk is detailed below:

Maximum exposure to credit risk

The maximum exposure to credit risk is represented by the fair values reported on the Statement of Financial Position as shown in the table below. This analysis includes only financial assets subject to credit risk and excludes other financial assets, mainly equity securities held in the trading portfolio or as available for sale assets, as well as non-financial assets.

	31 Dec 2022	31 Dec 2021
	\$	\$
Loans and advances at amortised cost	42,692,589	42,023,520
Cash and cash equivalents	505,259	378,779
Total Maximum exposure	43,197,848	42,402,299

Financial assets subject to risk

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

	Cash and cash equivalents	Loans and advances at amortised cost	Total
As at 31 Dec 2022	\$	\$	\$
Neither past due nor individually impaired	505,259	42,692,589	43,197,848
Total carrying amount	505,259	42,692,589	43,197,848
As at 31 Dec 2021	\$	\$	\$
Neither past due nor individually impaired	378,779	42,023,520	42,402,299
Total carrying amount	378,779	42,023,520	42,402,299

Financial assets subject to credit risk neither past due nor individually impaired

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Financial assets subject to credit risk that are neither past due nor individually impaired can be analysed according to the credit ratings used by the Company when assessing customers and counterparties. The Company uses the following credit ratings system:

Strong: There is a very high likelihood of the asset being recovered in full.

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

Higher risk: there is concern over the obligor's ability to make payments when due. However, these have not yet converted to actual delinquency. There may also be doubts over the value of collateral or security provided. However the borrower or counterparty is continuing to make payments when due and is expected to settle all outstanding amounts of principal and interest.

The credit quality of financial assets subject to credit that were neither past due nor impaired, based on above credit ratings, was as follows:

	Strong	Satisfactory	Higher risk	Total
31 Dec 2022	\$	\$	\$	\$
Loans and advances at amortised cost	42,692,589	-	-	42,692,589
Cash and cash equivalents	505,259	-	-	505,259
Total	43,197,848	-	-	43,197,848

	Strong	Satisfactory	Higher risk	Total
31 Dec 2021	\$	\$	\$	\$
Loans and advances at amortised cost	42,023,520	-	-	42,023,520
Cash and cash equivalents	378,779	-	-	378,779
Total	42,402,299	-	-	42,402,299

b) 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.

The monitoring and reporting of liquidity risk take the form of cash flow measurements and projections for the next day, week and month as these are key periods for liquidity management. Sources of liquidity are regularly reviewed.

US REAL ESTATE HOLDINGS NO. 4 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**Contractual maturity of financial liabilities on an undiscounted basis**

The table below presents the cash flows payable by the Company under financial liabilities by remaining contractual maturities at the balance sheet date. The amounts disclosed in the table are the contractual undiscounted cash flows of all financial liabilities (i.e. nominal values), whereas the Company manages the inherent liquidity risk based on discounted expected cash inflows.

As at 31 Dec 2022	<=1 year	Total
	\$	\$
Other liabilities	116,156	116,156
Total	116,156	116,156

As at 31 Dec 2021	<=1 year	Total
	\$	\$
Other liabilities	24,730	24,730
Total	24,730	24,730

c) Market risk

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

Interest rate risk

Interest rate risk is the possibility that changes in interest rates will result in higher financing costs and/or reduced income from the Company's interest bearing financial assets and liabilities. The Company's interest rate risk arises from short term borrowings. The Company is not exposed to significant interest rate risk.

Interest rate sensitivity analysis

The sensitivity of the income statement is the effect of assumed changes in interest rates on the net interest income for one year, based on the floating rate non-trading financial assets and financial liabilities held at 31 December 2022 and 31 December 2021 respectively.

Impact on net interest income

The effect on interest of a 25 basis points (2021: 25 basis points) change would be as follows:

	31 Dec 2022	31 Dec 2022
	\$'000	\$'000
	+25 basis points	-25 basis points
Impact on net interest income	105	(105)
As a percentage of net interest income	0.01%	-0.01%
	31 Dec 2021	31 Dec 2021
	\$'000	\$'000

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	<u>+25 basis points</u>	<u>-25 basis points</u>
Impact on net interest income	-	-
As a percentage of net interest income	0.25%	-0.25%

Foreign currency risk

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

At 31 December 2022, the Company had net euro assets of \$852 (2021:\$904), net GBP assets of \$322,687 (2021:\$365,303).

	31 Dec 2022	31 Dec 2022	31 Dec 2021	31 Dec 2021
	\$	\$	\$	\$
Effect on income	Impact on profit after tax if currency weakens 10% vs USD	Impact on profit after tax if currency strengthens 10% vs USD	Impact on profit after tax if currency weakens 10% vs USD	Impact on profit after tax if currency strengthens 10% vs USD
Euro	(77)	95	(82)	100
GBP	(29,335)	35,854	(33,209)	40,589
Total	(29,412)	35,949	(33,291)	40,689

Price risk

The Company is not exposed to price risk.

14. Fair value measurement

The fair value of an asset or liability is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Valuation governance

The governance around the valuation of the investments is operated within the Barclays Group and not at an entity level. The valuations reported are reviewed by a Valuation Committee in line with the Barclays Group requirements. This committee meets on a monthly basis to review the fair value of all investments across a portfolio of companies and to challenge the assumptions made in the valuations where appropriate. Any material difference of valuation concerns are escalated to the senior management within the Barclays Group and the Board of the entity.

Valuation methodology

A description of the nature of the techniques used to calculate valuations based on observable inputs and valuations based on unobservable inputs is described below.

Valuations based on observable inputs**Quoted market prices - Level 1**

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Assets and liabilities are classified as Level 1 if their value is observable in an active market. Such instruments are valued by reference to unadjusted quoted prices for identical assets or liabilities in active occurring market transactions. An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an ongoing basis.

Valuation technique using observable inputs- Level 2

Assets and liabilities classified as Level 2 have been valued using models whose inputs are observable in an active market. Valuations based on observable inputs include financial instruments such as swaps traded in markets where all the inputs to the market standard pricing models are observable. Level 2 valuation techniques can also include unobservable inputs that are not significant of the fair value measurement in its entirety.

Valuation technique using significant unobservable inputs - Level 3

Assets and liabilities are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data (unobservable inputs). A valuation input is considered observable if it can be directly observed from transactions in an active market, or if there is compelling external evidence.

The Company has not disclosed fair value levelling for cash and cash equivalents in line with IFRS 7.29(a).

15. Related party transactions

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

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

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

US REAL ESTATE HOLDINGS NO. 4 LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****15. Related party transactions (continued)****15.1 Other related party transactions**

Other related party transactions are as follows:

Related party relationship	Type of transaction	Transaction amount		Balance owed	
		31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
		\$	\$	\$	\$
	Interest expense and Bank charges				
Parent Company		(3,577)	(403,231)	-	-
Other Group entities	Interest income	838,119	23,520	-	-
Parent Company	Cash	-	-	505,259	378,779
Parent Company	Deposits	-	-	42,692,589	42,023,520
Parent Company	Share Capital	-	-	6,637,941	6,637,941
Parent Company	Capital Contribution	-	-	81,484,468	81,484,468
Parent Company	Share Premium	-	-	41,999,862	41,999,862

16. Capital management

The Company's objectives when managing capital are:

- To safeguard the Company's ability to continue as a going concern;
- To maintain an optimal capital structure in order to reduce the cost of capital and
- To generate sufficient capital to support asset growth.

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.

Total capital is as follows:

	31 Dec 2022	31 Dec 2021
	\$	\$
Share capital	6,637,941	6,637,941
Capital contribution reserve	81,484,468	81,484,468
Retained earnings	(86,626,639)	(87,268,812)
Share premium	41,999,862	41,999,862
Currency translation reserve	(416,162)	(416,162)
Total capital resources	43,079,470	42,437,297

US REAL ESTATE HOLDINGS NO. 4 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

17. Parent undertaking and ultimate holding company

The Company is a subsidiary undertaking of Real Estate Participation Services Limited 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 PLC, 1 Churchill Place, London, E14 5HP.

The consolidated financial statements of these groups are available to the public and may be obtained from <https://home.barclays/investor-relations/reports-and-events/annual-reports/>.

18. Events after the balance sheet date

The investment in NTC Parent Sarl has been fair valued through Profit and Loss account and the same has been valued at NIL as on 31st December 2022. As per 30th June 2023 valuation, the investment has been revalued at USD 751,272.