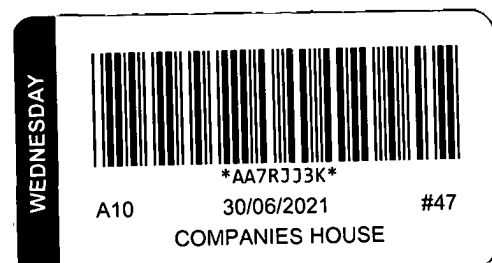


Registered number: 02958400

**US REAL ESTATE HOLDINGS NO. 4 LIMITED FORMERLY KNOWN AS
BARCLAYS CAPITAL PRINCIPAL INVESTMENTS LIMITED (BCPIL)**

DIRECTORS' REPORT & FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 SEPTEMBER 2020



US REAL ESTATE HOLDINGS NO. 4 LIMITED (FORMERLY KNOWN AS BCPIL)

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US REAL ESTATE HOLDINGS NO. 4 LIMITED (FORMERLY KNOWN AS BCPIL)

DIRECTORS' REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2020

The Directors present their annual report together with the audited financial statements of US REAL ESTATE HOLDINGS NO. 4 LIMITED (Formerly known as BCPIL) (the 'Company') for the period ended 30 September 2020. On 29/09/2020 the company changed its name from Barclays Capital Principal Investments Limited (BCPIL) to US Real Estate Holding No.4 Limited (USRH4). Accounting Reference Date (ARD) for the year 2020 has been changed from 31st December 2020 to 30th September 2020.

Profits and dividends

During the period the Company made a loss after tax of £3,690 (2019: profit after tax of £21,743). The Directors do not recommend the payment of a final dividend (2019: £nil). No dividend was paid during the period (2019: £nil).

Post balance sheet events

On the March 2021 UK Budget, it was announced that the UK rate of corporation tax will increase from 19% to 25% effective 1 April 2023.

On 29 September 2020, the Board received an application from Real Estate Participation Services Limited to subscribe for 100 Ordinary shares of £1.00 fully paid at nominal value in US Real Estate Holdings No.4 Limited for a consideration of \$42,000,000. The Board approved at the board meeting and the offer was executed on 2 October 2020. A loan of \$198,000,000 was entered into with the parent entity for purpose of future business activities on 2 October 2020.

The functional and presentation currency of the Company has been amended from GBP to USD on 1 October 2020. On 25 March 2021 Share capital of the Company redenominated from GBP to USD in order to align with the functional and presentation currency of the Company. On 20 May 2021 Accounting Reference Date (ARD) has been changed from 5th October 2020 to 31st December 2021.

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:

Spencer Kagan (appointed 29 September 2020)
Kester Tristram Mackenzie Keating (appointed 29 September 2020)
Amanda Joy Ryles (appointed 29 September 2020)
Mark E Wuest (appointed 29 September 2020)
Jiten Misty (resigned 30 September 2020)
Ryan Hayward (resigned 30 September 2020)
Francis Banks (resigned 30 September 2020)
James Ferrier (resigned 30 September 2020)

Going concern

After reviewing the Company's financial position and stress scenario analysis (including the implications from the COVID-19 outbreak) for at least the next 12 months from the date of signing these financial statements, the Company may be reliant on Barclays Bank PLC to meet its liabilities as they fall due for that period. Barclays Bank PLC has indicated its intention to continue to make available funds as needed by the Company for the period covered by the forecasts. Therefore, 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 at least 12 months from the date of signing financial statements.

As with any Company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. Based on these indications, the Directors have adopted the going concern basis in preparing these financial statements.

US REAL ESTATE HOLDINGS NO. 4 LIMITED (FORMERLY KNOWN AS BCPIL)

DIRECTORS' REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2020

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 international accounting standards in conformity with the requirements of the Companies Act 2006 and applicable law.

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

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

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

Financial risk management

The Company's activities are exposed to a variety of financial risks. The Company is required to follow the requirements of the Group risk management policies, which include specific guidelines on the management of foreign exchange, interest rate and credit risks, and advice on the use of financial instruments to manage them. The main financial risks that the Company is exposed to are outlined in Note 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 period ended 30 September 2020 for the benefit of the then Directors and, at the date of this report, are in force for the benefit of the Directors in relation to certain losses and liabilities, including qualifying third party indemnity provisions and qualifying indemnity provisions which may occur (or have occurred) in connection with their duties, powers or office.

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.

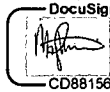
US REAL ESTATE HOLDINGS NO. 4 LIMITED (FORMERLY KNOWN AS BCPIL)

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

Strategic report exemption

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.

DocuSigned by:

CD881565274845B...

Mark E Wuest

Director

Date: 28/6/2021

Registered number: 02958400

1 Churchill Place, London, E14 5HP

US REAL ESTATE HOLDINGS NO. 4 LIMITED (FORMERLY KNOWN AS BCPIL)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF US REAL ESTATE HOLDINGS NO. 4 LIMITED (FORMERLY KNOWN AS BCPIL)

We have audited the financial statements of US REAL ESTATE HOLDINGS NO. 4 LIMITED (Formerly known as BCPIL) ("the Company") for the period ended 30 September 2020 which comprise Income Statement, the Statement of Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and related notes, including the accounting policies in note 5.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2020 and of its loss for the period then ended;
- have been properly prepared with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Going concern

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

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

Our conclusions based on this work:

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

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

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.

US REAL ESTATE HOLDINGS NO. 4 LIMITED (FORMERLY KNOWN AS BCPIL)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF US REAL ESTATE HOLDINGS NO. 4 LIMITED (FORMERLY KNOWN AS BCPIL)

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

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

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of the 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 manual journal containing entries ending with 999 and post closing 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 legal correspondence and discussed with the Directors and other management the policies and procedures regarding compliance with laws and regulations.

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. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

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

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

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

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 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.

US REAL ESTATE HOLDINGS NO. 4 LIMITED (FORMERLY KNOWN AS BCPIL)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF US REAL ESTATE HOLDINGS NO. 4 LIMITED (FORMERLY KNOWN AS BCPIL)

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 pages 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 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.



**Matthew Green (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants
15 Canada Square
London
E14 5GL
Date: 29/6/2021

US REAL ESTATE HOLDINGS NO. 4 LIMITED (FORMERLY KNOWN AS BCPIL)**INCOME STATEMENT
FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

	Note	30 September 2020 £	31 December 2019 £
Other income	7	-	41,875
Interest expense	6	(2,249)	(3,007)
Foreign exchange (loss)/gain	8	138	(21,525)
(Loss)/profit before tax		(2,111)	17,343
Tax (expense)/credit	11	(1,579)	4,400
(Loss)/profit for the period		(3,690)	21,743

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

US REAL ESTATE HOLDINGS NO. 4 LIMITED (FORMERLY KNOWN AS BCPIL)**STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

	30 September 2020 £	31 December 2019 £
(Loss)/profit for the period	(3,690)	21,743
Current taxation relating to components of other comprehensive income	1,395	1,863
Deferred taxation relating to components of other comprehensive income	(1,395)	(1,667)
Other comprehensive expense for the period, net of tax	-	196
Total comprehensive (loss)/income	(3,690)	21,939

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

US REAL ESTATE HOLDINGS NO. 4 LIMITED (FORMERLY KNOWN AS BCPIL)
REGISTERED NUMBER: 02958400

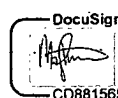
STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2020

	Note	30 September 2020 £	31 December 2019 £
Assets			
Current assets			
Current tax assets	11.2	52,119	52,257
Cash and cash equivalents		521,157	523,269
		<u>573,276</u>	<u>575,526</u>
Total assets		<u>573,276</u>	<u>575,526</u>
Liabilities			
Current liabilities			
Deferred tax liability	11.3	18,271	16,831
Total		<u>18,271</u>	<u>16,831</u>
Total liabilities		<u>18,271</u>	<u>16,831</u>
Net assets		<u>555,005</u>	<u>558,695</u>
Issued capital and reserves			
Share capital	12	4,810,002	4,810,002
Capital redemption reserve		62,996,311	62,996,311
Retained earnings		(67,251,308)	(67,247,618)
TOTAL EQUITY		<u>555,005</u>	<u>558,695</u>

The Financial statements for 2020 are prepared for 9 months.

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

The financial statements on pages 8 to 31 were approved and authorised for issue by the board of Directors on 24 June 2021 and were signed on its behalf by:

DocuSigned by:

 CD881565274845B...

Mark E Wuest

Director

Date: 28/6/2021

Registered number: 02958400

1 Churchill Place, London, E14 5HP

US REAL ESTATE HOLDINGS NO. 4 LIMITED (FORMERLY KNOWN AS BCPIL)**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

	Share capital £	Capital redemption reserve £	Retained earnings £	Total equity £
At 1 January 2020	4,810,002	62,996,311	(67,247,618)	558,695
Loss for the period	-	-	(3,690)	(3,690)
Total comprehensive loss for the period	-	-	(3,690)	(3,690)
At 30 September 2020	4,810,002	62,996,311	(67,251,308)	555,005

	Share capital £	Capital redemption reserve £	Retained earnings £	Total equity £
At 1 January 2019	4,810,002	62,996,311	(69,313,199)	(1,506,886)
Profit for the year	-	-	21,743	21,743
Total comprehensive income for the period	-	-	21,743	21,743
Tax relating to components of other comprehensive income	-	-	197	197
Other movements 3	-	-	2,043,641	2,043,641
Total contributions by and distributions to owners	-	-	2,043,838	2,043,838
At 31 December 2019	4,810,002	62,996,311	(67,247,618)	558,695

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

US REAL ESTATE HOLDINGS NO. 4 LIMITED (FORMERLY KNOWN AS BCPIL)**CASH FLOW STATEMENT
FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

	30 September 2020 £	31 December 2019 £
Cash flows from operating activities		
(Loss)/profit for the period	(3,690)	21,743
Adjustments for		
Finance expense	2,249	3,007
Other income	-	(4,735)
Net foreign exchange (gain)/loss	(138)	21,525
Income tax expense	1,579	(4,400)
Cash generated from operations	-	37,140
Net cash from operating activities	-	37,140
Cash flows from investing activities		
Interest paid	(2,250)	(3,007)
Net cash used in investing activities	(2,250)	(3,007)
Repayment of intercompany	-	(116,413)
Net cash from/(used in) financing activities	-	(116,413)
Net cash decrease in cash and cash equivalents	(2,250)	(82,280)
Cash and cash equivalents at the beginning of period	523,269	623,770
Exchange gains/(loss) on cash and cash equivalents	138	(18,221)
Cash and cash equivalents at the end of the period	521,157	523,269

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

US REAL ESTATE HOLDINGS NO. 4 LIMITED (FORMERLY KNOWN AS BCPIL)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2020

1. Reporting entity

These financial statements are prepared for US REAL ESTATE HOLDINGS NO. 4 LIMITED (Formerly known as BCPIL), the principal activity of which is to hold investments in other private companies.

The financial statements are separate financial statements 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 International Financial Reporting Standards ('IFRS') and interpretations issued by the IFRS Interpretations Committee ('IFRS IC'), as published by the International Accounting Standards Board ('IASB').

The Company is a private limited company domiciled and incorporated in United Kingdom. The Company's registered office is at 1 Churchill Place, London, E14 5HP.

2. Compliance with International Financial Reporting Standards

The financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. 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.

3. Basis of preparation

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, 'Financial Instruments', as set out in the relevant accounting policies. They are presented in Pounds Sterling (GBP), the currency of the country in which the Company is incorporated.

After reviewing the Company's financial position and stress scenario analysis (including the implications from the COVID-19 outbreak) for at least the next 12 months from the date of signing these financial statements, the Company may be reliant on Barclays Bank PLC to meet its liabilities as they fall due for that period. Barclays Bank PLC has indicated its intention to continue to make available funds as needed by the Company for the period covered by the forecasts. Therefore, 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 at least 12 months from the date of signing financial statements.

As with any Company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. Based on these indications, the Directors have adopted the going concern basis in preparing these financial statements.

4. New and amended standards

The accounting policies adopted are consistent with those of the previous financial year. There are no new amended standards that have had a material impact on the Company's accounting policies.

Future accounting developments

The Company does not expect any significant changes to its financial reporting after 2020 as a result of amended or new accounting standards that have been or will be issued by the IASB.

US REAL ESTATE HOLDINGS NO. 4 LIMITED (FORMERLY KNOWN AS BCPIL)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2020

5. Summary of significant accounting policies

5.1 Foreign currency translation

Items included in the financial statements of the Company are measured using their functional currency, being Pounds Sterling (£) the currency of the main economy to which it is exposed.

Foreign currency transactions are translated into sterling 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. Exchange differences on equities and similar non-monetary items held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on equities classified as available-for-sale financial assets and non-monetary items are included directly in equity.

5.2 Revenue recognition

Revenue comprises income from investments. Distributions are accounted for when received from the investments, resulting in part Income and part reduction in the investment.

5.3 Interest

Interest income on loans and advances 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.

The effective interest method requires the Company to estimate future cash flows, in some cases based on its experience of customers' behaviour, considering all contractual terms of the financial instrument, as well as the expected lives of the assets and liabilities.

5.4 Current and deferred 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 period 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 substantively enacted by the balance sheet date and that are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled.

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

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

US REAL ESTATE HOLDINGS NO. 4 LIMITED (FORMERLY KNOWN AS BCPIL)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2020****5.5 Financial assets and liabilities**

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

Recognition

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

Classification and measurement

Financial assets are classified on the basis of two criteria:

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

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

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

Financial assets

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

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

Financial assets that are held in a business model to collect the contractual cash flows and that contain contractual terms that give rise on specified dates to cash flows that are SPPI, are measured at amortised cost. The carrying value of these financial assets at initial recognition includes any directly attributable transaction costs.

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 short-term 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.

Financial instruments at fair value through profit or loss

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

US REAL ESTATE HOLDINGS NO. 4 LIMITED (FORMERLY KNOWN AS BCPIL)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2020*****Accounting for financial assets mandatorily at fair value***

Financial assets that are held for trading are recognised at fair value through profit or loss. In addition, financial assets are held at fair value through profit or loss if they do not contain contractual terms that give rise on specified dates to cash flows that are SPPI, or if the financial asset is not held in a business model that is either (i) a business model to collect the contractual cash flows or (ii) a business model that is achieved by both collecting contractual cash flows and selling.

Subsequent changes in fair value for these instruments are recognised in the income statement in net investment income, except if reporting it in trading income reduces an accounting mismatch.

Accounting for financial assets designated at fair value

Financial assets, other than those held for trading, are classified in this category if they are so irrevocably designated at inception and the use of the designation removes or significantly reduces an accounting mismatch.

Subsequent changes in fair value are recognised in the income statement in net investment income.

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, lease receivables, debt financial assets at fair value through other comprehensive income, loan commitments and financial guarantee contracts. 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 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.

US REAL ESTATE HOLDINGS NO. 4 LIMITED (FORMERLY KNOWN AS BCPIL)**NOTES TO THE FINANCIAL STATEMENTS
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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 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.

US REAL ESTATE HOLDINGS NO. 4 LIMITED (FORMERLY KNOWN AS BCPIL)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

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 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

US REAL ESTATE HOLDINGS NO. 4 LIMITED (FORMERLY KNOWN AS BCPIL)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

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.

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.

5.6 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.

5.7 Cash and cash equivalents

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

5.8 Critical accounting estimates

The preparation of financial statements in accordance with IFRS 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.

US REAL ESTATE HOLDINGS NO. 4 LIMITED (FORMERLY KNOWN AS BCPIL)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2020****6. Interest income and expense****Recognised in profit or loss**

	30 September 2020 £	31 December 2019 £
Interest expense		
Interest payable to related undertakings	2,249	3,007
Total finance expense	<u>2,249</u>	<u>3,007</u>
Net finance expense recognised in profit or loss	<u>(2,249)</u>	<u>(3,007)</u>

7. Other income

	30 September 2020 £	31 December 2019 £
Income from investments in Group companies	-	41,875
Other income	<u>-</u>	<u>41,875</u>

8. Foreign exchange gain/(loss)

	30 September 2020 £	31 December 2019 £
Foreign exchange (losses)/gains	138	(21,525)
Total	<u>138</u>	<u>(21,525)</u>

9. Profit before tax

The audit fee is borne by another Group company. Although the audit fee is borne by another Group company, the fee that would have been charged to the Company amounts to £16,800 (2019: £16,800) for the period. This fee is not recognised as an expense in the financial statements.

US REAL ESTATE HOLDINGS NO. 4 LIMITED (FORMERLY KNOWN AS BCPIL)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2020****10. Employee and key management, including Directors**

The Directors did not receive any emoluments in respect of their services to the Company during the period (2019: nil).

No Director exercised options under the Barclays PLC Sharesave Scheme and Long Term Incentive schemes during 2020 (2019: nil).

The Company had no employees during 2020 (2019: nil).

11. Tax credit**11.1 Income tax recognised in profit or loss**

	30 September 2020 £	31 December 2019 £
Current tax		
Current tax on profits for the period	1,534	(2,077)
Adjustments in respect of prior years	-	(11)
Total current tax	1,534	(2,088)
Current period	(1,935)	(2,584)
Rate change impact	1,980	272
Total deferred tax	45	(2,312)
	1,579	(4,400)
Total tax charge/(credit)		
Tax credit	1,579	(4,400)
	1,579	(4,400)

US REAL ESTATE HOLDINGS NO. 4 LIMITED (FORMERLY KNOWN AS BCPIL)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2020****11. Tax credit (continued)****11.1 Income tax recognised in profit or loss (continued)**

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

	30 September 2020 £	31 December 2019 £
(Loss)/profit for the period	(3,690)	21,743
Income tax credit	1,579	(4,400)
(Loss)/profit before income taxes	(2,111)	17,343
Tax using the Company's domestic tax rate of 19% (2019:19%)	(401)	3,295
Adjustments to tax charge in respect of prior periods	-	(11)
Non-taxable income	-	(7,956)
Changes in provisions leading to an increase/(decrease) in the tax charge	1,980	272
Total tax credit	1,579	(4,400)

Changes in tax rates and factors affecting the future tax charges

On 22 July 2020 the Finance Act 2020 received Royal Assent, enacting the UK corporation tax rate would remain at 19% from 1 April 2020 onwards instead of reducing to 17%, the previously enacted rate. This rate has herefore been used to calculate current and deferred taxes for the period ended 30 September 2020.

11.2 Current tax assets and liabilities**Current tax assets**

Tax recoverable	52,119	52,257
	52,119	52,257

11.3 Deferred tax (assets) / liabilities

	2020 £	2019 £
Provision at start of period	16,831	17,477
Deferred tax charge to income statement for the period	(1,935)	(2,585)
Effect of changes in tax rates	1,980	272
Deferred tax charge to equity for the period	1,395	1,667
	18,271	16,831

US REAL ESTATE HOLDINGS NO. 4 LIMITED (FORMERLY KNOWN AS BCPIL)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2020****11. Tax credit (continued)****11.4 Unrecognised deferred tax (assets) / liabilities**

	2020 £	2019 £
Unrecognised deferred tax	(59,837)	(53,538)
Total unrecognised deferred tax	(59,837)	(53,538)

Legislation has been introduced to maintain the main rate for corporation tax at 19% from 1 April 2020 (cancelling the enacted reduction to 17%). As a result, relevant deferred tax balances have been re-measured. The closing deferred tax assets and liabilities have been measured at a rate of 19%.

In the March 2021 UK Budget, it was announced that the UK rate of corporation tax will increase from 19% to 25% effective 1 April 2023. The change was not substantively enacted or enacted at the balance sheet date, but this is expected to have an impact on the rate at which the company's deferred tax balances will unwind. However, this change in tax rate is not expected to have a material impact on the deferred tax assets and liabilities.

12. Share capital**Authorised**

	30 September 2020 Number	30 September 2020 £	31 December 2019 Number	31 December 2019 £
Shares treated as equity				
Ordinary shares of £1.00 each	4,810,002	4,810,002	4,810,002	4,810,002
	<u>4,810,002</u>	<u>4,810,002</u>	<u>4,810,002</u>	<u>4,810,002</u>

Issued and fully paid

	30 September 2020 Number	30 September 2020 £	31 December 2019 Number	31 December 2019 £
Ordinary shares of £1.00 each				
	4,810,002	4,810,002	4,810,002	4,810,002
	<u>4,810,002</u>	<u>4,810,002</u>	<u>4,810,002</u>	<u>4,810,002</u>

US REAL ESTATE HOLDINGS NO. 4 LIMITED (FORMERLY KNOWN AS BCPIL)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2020****13. 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, 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.

	30 September 2020	31 December 2019
	£	£
Cash and cash equivalents	521,157	523,269
Total maximum exposure at 30 September 2020 and 31 December 2019	521,157	523,269

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	Total
	£	£
As at 30 Sep 2020		
Neither past due nor individually impaired	521,157	521,157
Total carrying amount	521,157	521,157
As at 31 Dec 2019		
Neither past due nor individually impaired	523,269	523,269
Total carrying amount	523,269	523,269

US REAL ESTATE HOLDINGS NO. 4 LIMITED (FORMERLY KNOWN AS BCPIL)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2020****Financial assets subject to credit risk neither past due nor individually impaired**

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
	£	£	£	£
30 September 2020				
Cash and cash equivalents	521,157	-	-	521,157
Total	<u>521,157</u>	<u>-</u>	<u>-</u>	<u>521,157</u>
31 December 2019				
Cash and cash equivalents	523,269	-	-	523,269
Total	<u>523,269</u>	<u>-</u>	<u>-</u>	<u>523,269</u>

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 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 (FORMERLY KNOWN AS BCPIL)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2020****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 30th Sep 2020	<=1 year	Total
	£	£
Other liabilities	18,271	18,271
Total	18,271	18,271

As at 31st Dec 2019	<=1 year	Total
	£	£
Other liabilities	16,831	16,831
Total	16,831	16,831

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 30 September 2020 and 31 December 2019 respectively.

US REAL ESTATE HOLDINGS NO. 4 LIMITED (FORMERLY KNOWN AS BCPIL)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2020***Impact on net interest income*

The effect on interest of a 25 basis points (2019: 25 basis points) change would be as follows:

	30 September 2020	30 September 2020
	£	£
	<u>+25 basis points</u>	<u>-25 basis points</u>
Change in net interest income	7	(7)
As a percentage of net interest income	0.25%	(0.25)%

	31 December 2019	31 December 2019
	£	£
	<u>+25 basis points</u>	<u>-25 basis points</u>
Change in net interest income	8	(8)
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 30 September 2020, the Company had net euro assets of £799 (2019: £680), net US Dollar assets of £56,804 (2019: £43,058) and net South African Rand assets of £99,567 (2019: £5,376).

	30 September 2020	30 September 2020	31 December 2019	31 December 2019
	£	£	£	£
	Impact on profit after tax if currency weakens 10% vs GBP	Impact on profit after tax if currency strengthens 10% vs GBP	Impact on profit after tax if currency weakens 10% vs GBP	Impact on profit after tax if currency strengthens 10% vs GBP
Effect on income				
Euro	(53)	64	(49)	60
US dollar	(3,194)	3,904	(3,132)	3,827
South African Rand	(335)	410	(391)	478
Total	(3,582)	4,378	(3,572)	4,365

Price risk

The Company is not exposed to price risk.

US REAL ESTATE HOLDINGS NO. 4 LIMITED (FORMERLY KNOWN AS BCPIL)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2020****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 were 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

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

Quoted market prices - Level 1

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 markets where the quoted price is readily available, and the price represents actual and regularly 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 and forwards which are valued using market standard pricing techniques, and options that are commonly traded in markets where all the inputs to the market standard pricing models are observable.

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). Valuations based on inputs that are not based on observable market data (unobservable data) include the use of valuation techniques which are in accordance with the International Private Equity and Venture Capital Valuation Guidelines.

Movements in Level 3 financial assets

The following table summarises the movements in the Level 3 balance during the period. The table shows gains and losses and includes amounts for all assets and liabilities transferred to and from Level 3 during the period. Transfers have been reflected as if they had taken place at the beginning of the period.

US REAL ESTATE HOLDINGS NO. 4 LIMITED (FORMERLY KNOWN AS BCPIL)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2020****Analysis of movement in Level 3 assets**

	As at 1 January 2020	Disposals	Total gains or losses recognised in profit and loss	Total gains or losses recognised in OCI	As at 30 September 2020
	£	£	£	£	£
Financial assets designated at fair value through profit or loss	-	-	-	-	-
Total	-	-	-	-	-
	As at 1 January 2019	Disposals	Total gains or losses recognised in profit and loss	Total gains or losses recognised in OCI	As at 31 December 2019
	£	£	£	£	£
Financial assets designated at fair value through profit or loss	-	2,226	-	64	2,290
Total	-	2,226	-	64	2,290

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

US REAL ESTATE HOLDINGS NO. 4 LIMITED (FORMERLY KNOWN AS BCPIL)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2020****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.

15.1 Other related party transactions

Other related party transactions are as follows:

Related party relationship	Type of transaction	Transaction amount		Balance owed	
		30 September 2020	31 December 2019	30 September 2020	31 December 2019
		£	£	£	£
Parent Company	Interest expense	(2,249)	(3,007)	-	-
Other Group entities	Other income	-	41,875	-	-
Parent Company	Cash	-	-	521,157	523,269
Parent Company	Share Capital	-	-	4,810,002	4,810,002
Parent Company	Capital Reserve	-	-	62,996,311	62,996,311
		(2,249)	38,868	68,327,470	68,329,582

16. Events after the reporting date

On the March 2021 UK Budget, it was announced that the UK rate of corporation tax will increase from 19% to 25% effective 1 April 2023.

On 29 September 2020, the Board received an application from Real Estate Participation Services Limited to subscribe for 100 Ordinary shares of £1.00 fully paid at nominal value in US Real Estate Holdings No.4 Limited for a consideration of \$42,000,000. The Board approved at the board meeting and the offer was executed on 2 October 2020. REPS has lend a loan of \$198m on 5th October 2020 for any future business activities. A loan of \$198,000,000 was entered into with the parent entity for purpose of future business activities on 2 October 2020

The functional and presentation currency of the Company has been amended from GBP to USD on 1 October 2020. On 25 March 2021 Share capital of the Company redenominated from GBP to USD in order to align with the functional and presentation currency of the Company. On 20 May 2021 Accounting Reference Date (ARD) has been changed from 5th October 2020 to 31st December 2021.

US REAL ESTATE HOLDINGS NO. 4 LIMITED (FORMERLY KNOWN AS BCPIL)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2020****17. 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;
- 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:

	30 September 2020	31 December 2019
	£	£
Share capital	4,810,002	4,810,002
Capital contribution	62,996,311	62,996,311
Retained earnings	(67,251,308)	(67,247,618)
Total capital resources	<u>555,005</u>	<u>558,695</u>

18. Parent undertaking and ultimate holding company

The Company is a subsidiary undertaking of Real Estate Participation Services Ltd 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. No other Group financial statements include the results of the Company.

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