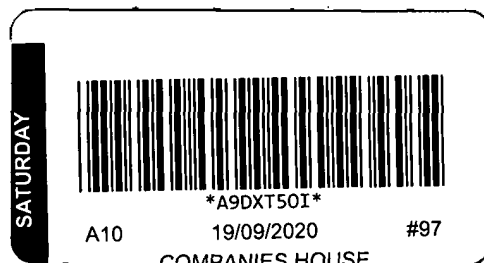


Registered number in England and Wales: 07450219

LONG ISLAND ASSETS LIMITED

DIRECTORS' REPORT & FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019



LONG ISLAND ASSETS LIMITED

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LONG ISLAND ASSETS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The Directors present their annual report together with the audited financial statements of Long Island Assets Limited (the 'Company') for the year ended 31 December 2019.

Profits and dividends

During the year the Company made a profit after tax of \$297,094,292 (2018: \$25,212,631). The Directors do not recommend the payment of a final dividend (2018: nil). The Company paid interim dividends on 28th June 2019 for \$20,534,549, on 16th August 2019 for \$110,000,000 and on 31st December 2019 for \$10,521,373 (2018: \$160,000,000 on 30th August 2018). On 16 August 2019, the Company also paid an interim dividend of \$4,200,000,000 from other reserves.

Post balance sheet events

The Company is monitoring the potential downside risk associated with both the direct and indirect impact of the COVID-19 outbreak, the financial effect of which cannot be reliably estimated. However, the impact on the Company has seen a reduction in the value of its fair value financial instruments by \$485m for the period ending 30 June 2020. The loss is unrealised and temporary in nature and the Company expects to recover the loss before the maturity of its fair value financial instruments. The Company continues to operate within its risk limits which are being actively monitored by management.

Directors

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

C P Le Neve Foster

DJ Rothnie

J Hanebuth (resigned 31 January 2019)

V Shah

BA Gerrard-Jones (appointed 05 February 2019)

Since the year end, DJ Blagbrough was appointed as a Director on 21 July 2020.

Going concern

After reviewing the Company's performance projections including the implications of the UK's decision to leave the European Union and from the COVID-19 outbreak, the available banking facilities and taking into account the support available from Barclays Bank PLC, the Directors are satisfied that the Company has adequate access to resources to enable it to meet its obligations and to continue in operational existence for the foreseeable future. For this reason, the Directors have adopted the going concern basis in preparing these financial statements.

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

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) and applicable law.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- 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.

LONG ISLAND ASSETS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

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 25.

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 2019 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

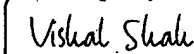
Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Statement of disclosure of information to auditors

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

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

DocuSigned by:



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Director

Date: 9/9/2020

Registered number: 07450219

1 Churchill Place, London, E14 5HP

LONG ISLAND ASSETS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Business review and principal activities

The principal activity of Long Island Assets Limited is to act as an investment company. The Directors have reviewed the Company's business and performance and consider it to be satisfactory for the year. The Directors consider that the Company's position at the end of the year is consistent with the size and complexity of the business.

Business performance

The results of the Company show a profit after tax of \$297,094,292 (2018: profit of \$25,212,631) for the year. The Company has net assets of \$946,868,134 (2018: \$4,731,893,732). During the year, the Company made unrealised net gains on its fair value financial instruments for \$282,772,208 (2018: loss of \$102,955,087). The Company also paid a dividend distribution from its reserves. The Directors have reviewed the Company's business and performance and consider it to be satisfactory for the year.

Future outlook

The Directors have reviewed the business performance for the reporting period and the Directors consider that the Company's position at the end of the year is consistent with the size and complexity of the business. The Directors will continue to monitor the performance of the Company and take appropriate action as necessary.

Principal risks & uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Barclays PLC group and are not managed separately. Accordingly, the principal risks and uncertainties of Barclays PLC, which include those of the Company, are discussed in the Barclays PLC 2019 Annual Report which does not form part of this report.

Key performance indicators

The directors of Barclays PLC manage the group's operations on a business cluster basis. For this reason, the Company's directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The development, performance and position of the relevant business cluster, which includes the Company, is discussed in the Barclays PLC 2019 Annual Report, which does not form part of this report.

Section 172(1) statement

The Directors have acted in a way that they considered, in good faith, to be most likely to promote the success of Long Island Assets Limited (the 'Company') for the benefit of its shareholders, and in doing so had regard, amongst other matters, to:

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

The Directors also took into account the views and interests of a wider set of stakeholders, including our regulator, the Government, and non-government organisations.

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

How does the board engage with stakeholders?

The Board will sometimes engage directly with certain stakeholders on certain issues, but the size and distribution of our stakeholders and of Barclays means that stakeholder engagement often takes place at an operational level.

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

LONG ISLAND ASSETS LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

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

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

The purpose of Long Island Assets Limited is to act as an investment company. During the reporting period, the Company has entered into significant transactions including investment in an Additional Tier 1 security, issuance of debt securities and dividend distributions as disclosed in the notes to the financial statements. These transactions have been entered into, in the wider interest of the Company and the Barclays Group. Through approval of the transactions during the reporting period, the Directors have duly considered all the matters set out in section 172 of the Companies Act 2006.

This report was approved by the board on 9/9/2020

and signed on its behalf.

DocuSigned by:

Vishal Shale

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Director

Date: 9/9/2020

Registered number: 07450219

1 Churchill Place, London, E14 5HP

LONG ISLAND ASSETS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LONG ISLAND ASSETS LIMITED

We have audited the financial statements of Long Island Assets Limited ("the Company") for the year ended 31 December 2019 which comprises the Income Statement, Statement of Financial Position, the Cash flow Statement, the Statement of Changes in Equity, and related notes, including the summary of significant 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 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; 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").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the 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. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

Strategic report and directors' report

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

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

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

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on pages 2 to 3, the Directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud

LONG ISLAND ASSETS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LONG ISLAND ASSETS LIMITED

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.

Rahim Butt (Senior statutory auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
Date:

LONG ISLAND ASSETS LIMITED**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 \$	2018 \$
Interest income	6	99,421,173	134,936,680
Interest expense	6	(1,699,567)	(87,301)
Net interest income		97,721,606	134,849,379
Fair value gains/(losses)	7	282,772,208	(102,955,087)
Other income	8	-	75,808
Foreign exchange loss	9	(19,198,523)	(18,697)
Profit before tax		361,295,291	31,951,403
Tax expense	13	(64,200,999)	(6,738,772)
Profit for the year		297,094,292	25,212,631

The accompanying notes on pages 14 to 37 form an integral part of the financial statements.

Profit for the year is derived from continuing activities. All recognised income and expenses have been reported in the income statement, hence no statement of comprehensive income has been included in the financial statements.

LONG ISLAND ASSETS LIMITED
REGISTERED NUMBER: 07450219

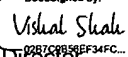
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 \$	2018 \$
Assets			
Non-current assets			
Deferred tax assets	14	-	17,838,003
Loans and advances at amortised cost	16	264,179,935	-
Financial assets mandatorily at fair value through income statement	15	4,236,344,171	3,400,844,858
		<u>4,500,524,106</u>	<u>3,418,682,861</u>
Current assets			
Loans and advances at amortised cost	16	603,098,074	4,814,287,503
Cash and cash equivalents	17	11,890,980	8,532,126
		<u>614,989,054</u>	<u>4,822,819,629</u>
Total assets		<u>5,115,513,160</u>	<u>8,241,502,490</u>
Liabilities			
Non-current liabilities			
Deferred tax liability	14	19,390,963	-
Financial liabilities designated at fair value through income statement	18	3,857,509,941	3,503,799,945
Financial liabilities at amortised cost	19	264,065,194	-
		<u>4,140,966,098</u>	<u>3,503,799,945</u>
Current liabilities			
Financial liabilities at amortised cost	19	562,768	-
Current tax liability		27,116,160	5,808,813
		<u>27,678,928</u>	<u>5,808,813</u>
Net assets		<u>946,868,134</u>	<u>4,731,893,732</u>
Issued capital and reserves			
Share capital	21	5,328,001	5,328,001
Other equity	22	263,810,175	-
Other reserves	23	551,154,627	4,751,154,627
Retained earnings/ (Accumulated losses)	24	126,575,331	(24,588,896)
TOTAL EQUITY		<u>946,868,134</u>	<u>4,731,893,732</u>

The accompanying notes form an integral part of the financial statements. The financial statements and the accompanying notes on pages 14 to 37 were approved and authorised for issue by the board of Directors on 9/9/2020 and were signed on its behalf by:

LONG ISLAND ASSETS LIMITED
REGISTERED NUMBER: 07450219

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2019

DocuSigned by:

Director
Name: Vishal Shah
Date: 9/9/2020
Registered number: 07450219

LONG ISLAND ASSETS LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Share capital	Other equity	Other reserves	Retained earnings/ (accumulated losses)	Total equity
	\$	\$	\$	\$	\$
At 1 January 2019	5,328,001	-	4,751,154,627	(24,588,896)	4,731,893,732
Profit for the year	-	-	-	297,094,292	297,094,292
Total comprehensive income for the year	-	-	-	297,094,292	297,094,292
Issuance of subordinated debt note	-	263,810,175	-	-	263,810,175
Dividends paid	-	-	(4,200,000,000)	(141,055,922)	(4,341,055,922)
Coupons paid on subordinated debt note	-	-	-	(4,874,143)	(4,874,143)
Total contributions by and distributions to owners	-	263,810,175	(4,200,000,000)	(145,930,065)	(4,082,119,890)
At 31 December 2019	5,328,001	263,810,175	551,154,627	126,575,331	946,868,134

LONG ISLAND ASSETS LIMITED**STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Share capital	Other reserves	Retained earnings/ (accumulated losses)	Total equity
	\$	\$	\$	\$
At 1 January 2018	5,328,001	4,751,154,627	110,198,473	4,866,681,101
Profit for the year	-	-	25,212,631	25,212,631
Total comprehensive income for the year	-	-	25,212,631	25,212,631
Dividends paid	-	-	(160,000,000)	(160,000,000)
Total contributions by and distributions to owners	-	-	(160,000,000)	(160,000,000)
At 31 December 2018	5,328,001	4,751,154,627	(24,588,896)	4,731,893,732

The notes on pages 14 to 37 form part of these financial statements.

LONG ISLAND ASSETS LIMITED**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 \$	2018 \$
Cash flows from operating activities		
Profit for the year	297,094,292	25,212,631
Adjustments for		
Interest income	(99,421,173)	(134,936,680)
Interest expense	1,699,567	87,301
Net (gains)/losses arising on financial instruments at fair value through profit or loss	(282,772,208)	102,955,087
Net foreign exchange loss	19,198,523	18,697
Income tax expense	64,200,999	6,738,772
	-	75,808
Movements in working capital:		
Interest received	156,821,839	143,086,142
Interest paid	(1,483,563)	(108,321)
Cash generated from operations	155,338,276	143,053,629
Income taxes paid	(5,664,686)	(34,838,855)
Net cash from operating activities	149,673,590	108,214,774
Cash flows from investing activities		
Net interest received on fair value financial instruments	45,579,156	-
Decrease in loans and advances at amortised cost	3,889,608,826	36,498,869
Increase/(Decrease) in financial liabilities at amortised cost	264,411,957	(3,192,193)
Increase in financial assets at fair value through the income statement	(263,849,199)	(3,500,000,000)
Increase in financial liabilities designated at fair value through the income statement	-	3,500,000,000
Net cash from investing activities	3,935,750,740	33,306,676
Cash flows from financing activities		
Issuance of subordinated debt note	263,810,175	-
Coupon paid on subordinated debt note	(4,874,143)	-
Dividends paid to ordinary shareholders	(4,341,055,922)	(160,000,000)
Net cash used in financing activities	(4,082,119,890)	(160,000,000)
Net cash increase/(decrease) in cash and cash equivalents	3,304,440	(18,478,550)
Cash and cash equivalents at the beginning of year	8,532,126	27,029,373
Exchange gains/(loss) on cash and cash equivalents	54,414	(18,697)
Cash and cash equivalents at the end of the year	11,890,980	8,532,126

The accompanying notes on pages 14 to 37 form an integral part of the financial statements.

LONG ISLAND ASSETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. Reporting entity

These financial statements are prepared for Long Island Assets Limited (the 'Company'), the principal activity of which is to act as an Investment Holding Company.

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 Financial Reporting Standards (IFRS) and interpretations issued by the Interpretations Committee (IFRICs), as published by the International Accounting Standards Board (IASB). They are also in accordance with IFRS and IFRIC interpretations endorsed by the European Union. The principal accounting policies applied in the preparation of the individual 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 stated in US Dollars ("USD"), which is the Company's functional and presentation currency.

After reviewing the Company's performance projections including the implications of the UK's decision to leave the European Union and from the COVID-19 outbreak, the available banking facilities and taking into account the support available from Barclays Bank PLC, the Directors are satisfied that the Company has adequate access to resources to enable it to meet its obligations and to continue in operational existence for the foreseeable future. For this reason, the Directors have adopted the going concern basis in preparing these financial statements.

4. New and amended standards

The accounting policies adopted are consistent with those of the previous financial year, except where new standards and amendments to IFRS effective as of 1 January 2019 have resulted in changes in accounting policy. 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.

5. Summary of significant accounting policies

5.1 Foreign exchange

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

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 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

LONG ISLAND ASSETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

5. Summary of significant accounting policies (continued)

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.

5.2 Revenue recognition

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

5.3 Interest

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

The effective interest rate is the rate that exactly discounts the expected future cash payments or receipts through the expected life of the financial instrument, or when appropriate, a shorter period, to the net carrying amount of the instrument. The application of the method has the effect of recognising income (and expense) receivable (or payable) on the instrument evenly in proportion to the amount outstanding over the period to maturity or repayment.

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 year or prior year taxable profits.

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

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.

LONG ISLAND ASSETS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019****5. Summary of significant accounting policies (continued)**

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.

Loans and advances and financial liabilities, are held at amortised cost. That is, 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 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.

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.

Financial liabilities

Financial liabilities are measured at amortised cost, except for trading liabilities which are held at fair value through profit or loss. Financial liabilities are derecognised when extinguished. The Company's financial liabilities comprise borrowings in the balance sheet.

Determining fair value

Where the classification of a financial instrument requires it to be stated at fair value, this is determined by reference to the quoted market price in an active market wherever possible. Where no such active market exists for the

LONG ISLAND ASSETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

5. Summary of significant accounting policies (continued)

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.

The assessment of materiality, i.e. at what point 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. Application of quantitative PD floors does not represent the use of the low credit risk exemption.

For existing/historic exposures where origination point scores/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 historic 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

LONG ISLAND ASSETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

5. Summary of significant accounting policies (continued)

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. The criteria for determining a significant increase in credit risk for assets with bullet repayments follows the same principle as all other assets, i.e. quantitative, qualitative and backstop tests are all applied. 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.

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. An asset is considered credit impaired when one or more events occur that have a detrimental impact on the estimated future cash flows of the financial asset. This comprises assets defined as defaulted and other individually assessed exposures where imminent default or actual loss is identified. 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.

LONG ISLAND ASSETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

5. Summary of significant accounting policies (continued)

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.

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.

Forbearance

A financial asset is subject to forbearance when it is modified due to the credit distress of the borrower. A modification made to the terms of an asset due to forbearance will typically be assessed as a non-substantial modification that does not result in derecognition of the original loan, except in circumstances where debt is exchanged for equity.

Both performing and non-performing forbearance assets are classified as Stage 3 except where it is established that the concession granted has not resulted in diminished financial obligation and that no other regulatory definitions of default criteria has been triggered, in which case the asset is classified as Stage 2. The minimum probationary period for non-performing forbearance is 12 months and for performing forbearance, 24 months. Hence, a minimum of 36 months is required for non-performing forbearance to move out of a forbore state.

No financial instrument in forbearance can transfer back to Stage 1 until all of the Stage 2 thresholds are no longer met and can only move out of Stage 3 when no longer credit impaired.

LONG ISLAND ASSETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

5. Summary of significant accounting policies (continued)

Netting

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

5.6 Share capital

Share capital classified as equity, provided that there is no present obligation to deliver cash or another financial asset to the holder, is shown in called up share capital, and the costs associated with the issuance of shares are recorded as a deduction from equity.

5.7 Dividends on ordinary shares

Dividends on ordinary shares are recognised in equity in the period in which they are paid or, if earlier, approved by the Company's directors.

5.8 Cash and cash equivalents

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.

5.9 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 financial statements are:

Fair value of financial instruments

The valuation of financial instruments often involves a significant degree of judgement and complexity in particular where fair value of the instrument is not a quoted price but valuation models are used to estimate the fair value. The model calculates the expected cash flows under the terms of each specific contract and then discount these values back to present value. These models use as their basis independently sourced market inputs including for example interest rate yield curves and securities prices. These models also use the standard market techniques and judgements to determine the inputs such as BBPLC spread and coupon cancellation premium to value the fair value instruments.

LONG ISLAND ASSETS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019****6. Interest income and expense****Recognised in profit or loss**

	2019 \$	2018 \$
Interest income		
Interest receivable from related undertakings	99,421,173	134,936,680
Total interest income	<u>99,421,173</u>	<u>134,936,680</u>
Interest expense		
Interest payable to related undertakings	1,699,567	87,301
Total interest expense	<u>1,699,567</u>	<u>87,301</u>
Net interest income recognised in profit or loss	<u><u>97,721,606</u></u>	<u><u>134,849,379</u></u>

Interest income includes interest receivable on amounts loaned to parent undertaking, the loans carry floating rate of interest and a margin.

Interest expense includes interest payable on amounts borrowed from parent undertaking, the borrowings carry floating rate of interest.

7. Fair value gains/(losses)

	2019 \$	2018 \$
Gains /(losses) on financial assets mandatorily at fair value	763,713,911	(99,155,142)
Losses on financial liabilities designated at fair value	(530,443,662)	(3,799,945)
Gain on investment in Additional Tier 1 securities	49,501,960	-
	<u><u>282,772,209</u></u>	<u><u>(102,955,087)</u></u>

In December 2018, the Company entered into loan agreements for an aggregate notional of \$3,500,000,000 with Chapelcrest Investments Limited. In accordance with IFRS 9, the loans are accounted for as assets held at fair value through profit or loss on the basis that the assets cannot be classified as at amortised cost or at fair value through other comprehensive income as cash flows under the agreements do not represent solely payments of principal and interest.

In December 2018, the Company also entered into borrowing agreements with Barclays Bank PLC for an aggregate notional of \$3,500,000,000, the Company has elected to account for the liability at fair value through the income statement in order to reduce measurement inconsistencies between the loans with Chapelcrest Investments Limited, which is fair valued, and borrowings with Barclays Bank PLC. All changes in fair value of the liability will be taken to the income statement.

In August 2019, the Company made an investment of £200 million in Additional Tier 1 securities issued by Barclays Capital Securities Limited, a group undertaking, as further explained in note 15. In accordance with IFRS 9, the investment in Additional Tier 1 securities is accounted for as an asset held at fair value through profit & loss. Coupon payments on the investment may be cancelled at the discretion of the borrower and the principal may also be permanently written down on occurrence of prescribed regulatory triggers. As a result of the uncertainty of these

LONG ISLAND ASSETS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

cashflows, payments do not solely consist of repayment of principal and interest (SPPI).

8. Other income

	2019	2018
	\$	\$
Fee income	-	75,808
	<u>-</u>	<u>75,808</u>
	<u>-</u>	<u>75,808</u>

During the prior year, the Company received fees from Chapelcrest Investments Limited for the guarantee deeds signed between the Company and Chapelcrest Investments Limited.

9. Foreign exchange loss

	2019	2018
	\$	\$
Foreign exchange loss	19,198,523	18,697
	<u>19,198,523</u>	<u>18,697</u>
	<u>19,198,523</u>	<u>18,697</u>

During the year, the Company incurred a foreign exchange loss of \$19m on a borrowing from Barclays Bank PLC with a notional of £200m. The foreign exchange loss offsets with the foreign exchange gain recognised as fair value gains on £200m investment in Additional Tier 1 securities as explained in note 7.

10. Profit before tax

The audit fee is borne by the Company's parent company, Barclays Bank PLC and is not recharged to the Company. Although the audit fee is borne by the Company's parent company, the fee that would have been charged to the Company amounts to \$51,070 (2019: \$10,733) for the year. This fee is not recognised as an expense in the financial statements.

11. Staff costs

There were no employees employed by the company during 2018 or 2019.

12. Directors' emoluments

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

During the year, no Directors (2019: nil) exercised options under the Barclays PLC Sharesave Scheme and Long Term Incentive schemes.

LONG ISLAND ASSETS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019****13. Tax expense****13.1 Income tax recognised in profit or loss**

	2019 \$	2018 \$
Current tax		
Current tax on profits for the year	26,972,033	24,561,282
Adjustments in respect of prior years	-	15,493
Total current tax	<u>26,972,033</u>	<u>24,576,775</u>
Deferred tax expense		
Current year deferred tax charge / (credit)	37,228,966	(17,838,003)
Total deferred tax	<u>37,228,966</u>	<u>(17,838,003)</u>
Total tax expense	<u><u>64,200,999</u></u>	<u><u>6,738,772</u></u>

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:

	2019 \$	2018 \$
Profit for the year	297,094,292	25,212,631
Income tax expense	64,200,999	6,738,772
Profit before income taxes	<u>361,295,291</u>	<u>31,951,403</u>
Tax charge at UK corporation tax rate of 19% (2018: 19%)	68,646,105	6,070,767
Adjustments to tax charge in respect of prior periods	-	15,493
Foreign exchange loss / (gain)	860,858	(1,446,076)
Rate change adjustment	(4,379,878)	2,098,588
Tax credit on coupon paid on other equity instruments	(926,086)	-
Total tax expense	<u><u>64,200,999</u></u>	<u><u>6,738,772</u></u>

Effective tax rate is 17.77% (2018-21.09%).

Changes in tax rates and factors affecting the future tax charges

From 1 April 2017, the main rate of UK corporation tax is 19%. Legislation has been introduced to reduce the main rate of UK corporation tax to 17% from 1 April 2020.

In the March 2020 budget announcement, the Chancellor confirmed that the rate of corporation tax will remain at 19% from 1 April 2020. This measure has been made under a Budget resolution which has statutory effect under the provisions of the Provisional Collection of Taxes Act 1968. Since this change (cancelling the enacted reduction to 17%) was not enacted or substantively enacted on the balance sheet date, this has not been used to calculate current or deferred tax for tax disclosures for year ended 31 December 2019.

LONG ISLAND ASSETS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019****14. Deferred tax (liability)/ asset**

	2019 \$	2018 \$
As at 1st January	17,838,003	-
Tax (charge)/credit during the year	(37,228,966)	17,838,003
As at 31st December	(19,390,963)	17,838,003
	2019 \$	2018 \$
Temporary differences on :		
Fair value movement on financial assets and liabilities	(15,347,934)	17,838,003
Fair value gain on investment in Additional Tier 1 securities	(4,043,029)	-
	(19,390,963)	17,838,003

From 1 April 2017, the main rate of UK corporation tax is 19%. Legislation has been introduced to reduce the main rate of UK corporation tax to 17% from 1 April 2020.

However, following the substantive enactment of the rate of 19%, it is anticipated that the reversal of temporary differences will occur at this rate and that the maximum impact on the quantum of the net deferred tax liability recognised will be an increase of \$2,282,290.

15. Financial assets mandatorily at fair value through income statement

	2019 \$	2018 \$
Non-current:		
Investment in Additional Tier 1 securities	288,447,992	-
Loans and advances mandatorily at fair value	3,947,896,179	3,400,844,858
At 31 December	4,236,344,171	3,400,844,858

In December 2018, the Company entered into loan agreements for an aggregate notional of \$3,500,000,000 with Chapelcrest Investments Limited. In accordance with IFRS 9, the loans are accounted for as assets held at fair value through profit or loss on the basis that assets cannot be held at amortised cost or at fair value through other comprehensive income as cash flows under the agreements do not represent solely payments of principal and interest. As at 31 December 2019, the loans carry floating interest rate of 6 month USD LIBOR plus margin and will mature on 31 December 2028.

On 22 August 2019, the Company invested £200 million in Additional Tier 1 securities issued by Barclays Capital Securities Limited. These securities are perpetual securities with the repayment of principal and coupon at the sole discretion of the issuer. In accordance with IFRS 9, the investment is accounted for as an asset held at fair value through profit or loss on the basis that cash flows do not represent solely payments of principal and interest (SPPI) and therefore it cannot be held at amortised cost or at fair value through other comprehensive income. The investment carries a floating coupon rate of 3 month GBP LIBOR plus margin. The Company received a coupon of £4,468,752 on the investment on 16 December 2019.

LONG ISLAND ASSETS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019****16. Loans and advances at amortised cost**

	2019	2018
	\$	\$
Current		
Loans and advances to group undertakings	603,098,074	4,814,287,503
Current portion	<u>603,098,074</u>	<u>4,814,287,503</u>
Non-current		
Loans and advances to group undertakings	264,179,935	-
Non-current portion	<u>264,179,935</u>	<u>-</u>

On 28th February 2019, the loan with a notional of \$4,756,482,629 to Barclays Long Island Limited matured and was re-extended. On the same day, the Company also entered into another loan agreement with Barclays Long Island Limited (borrower), where by the borrower can borrow up to the limit of \$500 million from the Company. As of 31 December 2019, the Company has loaned \$43,810,998 under this agreement.

On 16th August 2019, Barclays Long Island Limited prepaid the loan of \$4,756,482,629 and entered into new loan agreement with a notional of \$556,482,629 with the Company. The net proceeds of the loan repayment were used to pay a \$4,200,000,000 dividend to the Company's parent, Barclays Long Island Limited. The loans with Barclays Long Island Limited can be called at short notice by either parties.

On 22 August 2019, the Company also entered in to a loan agreement with Barclays Bank PLC for a notional of \$263,810,175 maturing on 22 August 2023.

The directors consider that the carrying value of the Company's loans and advances approximates to their fair value. The IFRS 9 impairment is immaterial and no allowance for impairment has been recorded as at 31 December 2019.

17. Cash and cash equivalents

	2019	2018
	\$	\$
Cash at bank available on demand	9,243,368	260,519
Demand deposits	2,647,612	8,271,607
	<u>11,890,980</u>	<u>8,532,126</u>

Cash at bank represents bank balance held with Barclays Bank PLC. As at 31 December 2019, demand deposits included a floating rate deposit with a principal of \$2,630,267 based on a USD Libor rate maturing on 30 August 2020.

LONG ISLAND ASSETS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019****18. Financial liabilities designated at fair value
through income statement**

	2019	2018
	\$	\$
Non-current:		
Financial liabilities designated at fair value through income statement	(3,857,509,941)	(3,503,799,945)
As at 31 December	<u>(3,857,509,941)</u>	<u>(3,503,799,945)</u>

In December 2018, the Company entered into borrowing agreements with Barclays Bank PLC for an aggregate notional of \$3,500,000,000. As at 31 December 2019, the liabilities carry floating interest rate of 6 month USD LIBOR plus a margin and will mature on 31 December 2028.

Under IFRS 9, the Company has elected to account for it as liability measured at fair value through profit or loss in order to reduce measurement inconsistencies and accounting mismatch between the financial liabilities with Barclays Bank PLC and the loans with Chapelcrest Investments Limited as explained in note 15. All changes in fair value of the liability will be taken to profit or loss.

The cumulative loss attributable to changes in own credit risk recognised in profit or loss is \$357,376,690 (2018: cumulative gain of \$5,529,484).

The carrying amount of financial liabilities designated at fair value through profit or loss at 31 December 2019 was \$941,332,719 (2018 : \$1,787,497,597) lower than the contractual amount due at maturity which is \$4,798,842,660 (2018: \$5,291,297,542).

19. Financial liabilities designated at amortised cost

	2019	2018
	\$	\$
Current:		
Amount payable to parent undertaking	562,768	-
Current portion	<u>562,768</u>	<u>-</u>
Non-current:		
Amount payable to parent undertaking	264,065,194	-
Non-current portion	<u>264,065,194</u>	<u>-</u>

The amounts payable to parent undertaking includes £200 million borrowed from Barclays Bank PLC on 22 August 2019. As at 31 December 2019, the borrowing carry a floating rate of interest and a margin and matures on 22 August 2024. The directors considered that the carrying value of the Company's borrowings approximated to their fair value.

LONG ISLAND ASSETS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019****20. Current tax liability**

	2019 \$	2018 \$
Current tax liability	(27,116,160)	(5,808,813)
	<u>(27,116,160)</u>	<u>(5,808,813)</u>

21. Share capital**Authorised**

	2019 Number	2019 \$	2018 Number	2018 \$
Shares treated as equity				
Ordinary shares shares of \$1.00 each	5,328,001	5,328,001	5,328,001	5,328,001
	<u>5,328,001</u>	<u>5,328,001</u>	<u>5,328,001</u>	<u>5,328,001</u>

Issued and fully paid

	2019 Number	2019 \$	2018 Number	2018 \$
Ordinary shares shares of \$1.00 each				
At 1 January and 31 December	5,328,001	5,328,001	5,328,001	5,328,001
	<u>5,328,001</u>	<u>5,328,001</u>	<u>5,328,001</u>	<u>5,328,001</u>

The holders of the ordinary shares are entitled to vote at the general meetings of the Company and are entitled to receive such dividends as directors may declare. The ordinary shares are not redeemable and the holders of the ordinary shares are entitled to participate in the distribution of any surplus assets of the Company.

LONG ISLAND ASSETS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019****22. Other equity**

	2019 \$	2018 \$
Issuance of subordinated debt note	263,810,175	-
	<u>263,810,175</u>	<u>-</u>

On 22 August 2019, the Company issued two subordinated note instruments: (i) a senior tranche subordinated debt instrument with a notional of \$257,810,175; and (ii) a junior tranche subordinated debt instrument with a notional of \$6,000,000. These notes are listed on the Cayman Island Stock exchange and are subscribed by Barclays Term Funding Limited Liability Partnership, a group undertaking. The principal terms of the notes are described below:

- There is no right for the holder of the notes to call for early repayment at any time.
- Although the notes have a stated maturity of 10 years, the Company may at its option, elect to defer repayment and to extend the maturity of the notes by another 5 years, effectively into perpetuity.
- On the senior tranche subordinated debt note, the Company has the option to elect, purely at its discretion, to defer payment of interest. Such deferral is carried out on a cumulative basis and deferred coupons will become payable on the final repayment of the note.
- On the junior tranche subordinated debt note, the Company will have the right to elect not to pay coupons due on the note at its discretion. The coupons are non-cumulative; any coupon not paid will not accrue and the holder of the instrument will have no right to claim any unpaid coupons either upon repayment or on liquidation.

On 16 December 2019, the Company paid a coupon of \$4,874,143 on the senior tranche subordinated debt note.

LONG ISLAND ASSETS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019****23. Other reserves**

	2019 \$	2018 \$
As at 1st January	4,751,154,627	4,751,154,627
Dividend paid from other reserves	(4,200,000,000)	-
As at 31st December	551,154,627	4,751,154,627

Other reserves are distributable reserves of the Company created in December 2015, when the Directors of the Company reduced and cancelled its share premium account and credited the cancelled amount to distributable reserves of the Company.

On 16 August 2019, the Company paid a distribution of \$4,200,000,000 from other reserves to its parent Barcalys Long Island Limited.

24. Retained earnings/(Accumulated losses)

	2019 \$	2018 \$
As at 1st January	(24,588,896)	110,198,473
Profit for the year	297,094,292	25,212,631
Dividend paid on ordinary shares	(141,055,922)	(160,000,000)
Coupons paid on subordinated debt notes	(4,874,143)	-
As at 31st December	126,575,331	(24,588,896)

During the year, the Company paid interim dividends for a total of \$141,055,922 (2018: \$160,000,000) from retained earnings.

25. 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 counterparties fail to fulfil their contractual obligations to the Company. The Company assesses all counterparties for credit risk before contracting with them. The Company's counterparties comprise solely of other group companies. The Company holds no collateral against its exposures and there were no significant concentrations of credit risk. None of the Company's assets are either past due or individually impaired and all of the Company's counterparties have been assessed with a Strong credit rating, i.e. there is a very high likelihood of the asset being recovered in full.

LONG ISLAND ASSETS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019****Maximum exposure to credit risk**

The Company's maximum exposure to credit risk is disclosed in the table below. As the Company holds no collateral or credit enhancements, this is the same as the balance sheet exposure.

	2019	2018
	\$	\$
Loans and advances at amortised cost	867,278,009	4,814,287,503
Financial assets mandatorily at fair value through income statement	4,236,344,171	3,400,844,858
Cash and cash equivalents	11,890,980	8,532,126
	<u>5,115,513,160</u>	<u>8,223,664,487</u>

The table below describes the Company's credit exposure by industry type:

	2019	2018
	\$	\$
Financial institutions	300,338,972	8,532,126
Financial intermediaries	4,815,174,188	8,215,132,361
	<u>5,115,513,160</u>	<u>8,223,664,487</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 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.

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 31st Dec 2019	<=1 year	1-2 years	2-5 years	5-10 years	Total
	\$	\$	\$	\$	\$
	'000	'000	'000	'000	'000
Financial liabilities at amortised cost	563	-	264,065	-	264,628
Financial liabilities designated at fair value through income statement	142,212	134,949	410,413	4,246,217	4,933,791
Total	142,775	134,949	674,478	4,246,217	5,198,419

LONG ISLAND ASSETS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

As at 31st Dec 2018	<=1 year	1-2 years	2-5 years	5-10 years	Total
	\$	\$	\$	\$	\$
	'000	'000	'000	'000	'000
Financial liabilities designated at fair value through income statement	187,404	171,806	511,888	4,420,200	5,291,298
Total	187,404	171,806	511,888	4,420,200	5,291,298

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.

i) 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 changes to net interest income on its interest bearing loans and advances at amortised cost and financial liabilities at amortised cost. The Company's interest rate risk also arises from changes to net investment income due to fair value changes on its financial asset and liabilities at fair value through income statement.

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 2019.

Impact on net interest income

The Company has considered the effect on interest of a 100 basis points change. This analysis has been performed by applying a 100 basis point change to the *outstanding principal of the interest bearing amortised cost positions* following their next reset date. As at 31 December 2019, the Company has net interest-bearing financial instruments of \$604,529,356 (2018: \$4,764,753,610). The impact on net interest expense would be as follows:

	2019	2019
	\$'000	\$'000
	+100 basis points	-100 basis points
Change in net interest income	5,549	(5,549)
As a percentage of net interest income	6%	-6%
	2018	2018
	\$	\$
	+100 basis points	-100 basis points
Change in net interest income	40,506	(40,506)
As a percentage of net interest income	30%	-30%

LONG ISLAND ASSETS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019***Impact on equity*

Interest rates affect equity for the Company through higher or lower profit after tax resulting from change in net interest income and from net investment income. They are calculated by revaluing the financial instruments for the effect of the assumed changes in interest rates. They are based on the assumption that there are parallel shifts in the yield curve. The effects of taxation have been estimated using the tax rate applicable to the Company for the coming year of 19% (2018: 19%).

The sensitivity analysis of interest rate impact on equity is as follows:

	2019 \$'000	2019 \$'000	2019 \$'000
	As at 31st Dec	Maximum impact	Minimum impact
+100 basis points parallel move in all yield curves			
Change in net interest income	97,722	5,549	5,549
Change in net investment income	282,772	215,092	215,092
Change in taxation	(64,201)	(41,922)	(41,922)
Total	316,293	178,719	178,719
As a percentage of equity	33.4%	18.87%	18.87%

	2019 \$'000	2019 \$'000	2019 \$'000
	As at 31st Dec	Maximum impact	Minimum impact
-100 basis points parallel move in all yield curves			
Change in net interest income	97,722	(5,549)	(5,549)
Change in net investment income	282,772	222,450	222,450
Change in taxation	(64,201)	(41,211)	(41,211)
Total	316,293	175,690	175,690
As a percentage of equity	33.4%	18.55%	18.55%

LONG ISLAND ASSETS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2018 \$'000	2018 \$'000	2018 \$'000
	As at 31st Dec	Maximum impact	Minimum impact
+100 basis points parallel move in all yield curves			
Change in net interest income	134,937	40,506	40,506
Change in net investment income	(102,955)	4,793	4,793
Change in taxation	(6,739)	(8,670)	(8,670)
Total	25,243	36,629	36,629
As a percentage of equity	0.53%	0.77%	0.77%

	2018 \$'000	2018 \$'000	2018 \$'000
	As at 31st Dec	Maximum impact	Minimum impact
-100 basis points parallel move in all yield curves			
Change in net interest income	134,937	(40,506)	(40,506)
Change in net investment income	(102,955)	(5,125)	(5,125)
Change in taxation	(6,739)	8,670	8,670
Total	25,243	(36,961)	(36,961)
As a percentage of equity	0.53%	-0.78%	-0.78%

LONG ISLAND ASSETS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019****ii) Foreign currency risk**

The Company is exposed to foreign currency risk from future foreign currency transactions, and recognised assets and liabilities. As at 31 December 2019, the Company holds a GBP bank account having an immaterial balance, has GBP taxation liabilities of £20,554,286 (2018: 4,546,162) and other net GBP exposure of £18,055,790 (2018: nil). The impact of changes in foreign currency rates is as follows:

	2019 \$'000	2019 %	2019 \$'000	2019 %
	Impact on profit after tax if currency strengthens 10% vs	Impact on profit after tax if currency strengthens 10% vs	Impact on profit after tax if currency weakens 10% vs	Impact on profit after tax if currency weakens 10% vs
Effect on income				
GBP	336	0.11%	(336)	-0.11%
Total	336	0.11%	(336)	-0.11%
	2018 \$'000	2018 %	2018 \$'000	2018 %
	Impact on profit after tax if currency strengthens 10% vs	Impact on profit after tax if currency strengthens 10% vs	Impact on profit after tax if currency weakens 10% vs	Impact on profit after tax if currency weakens 10% vs
Effect on equity				
GBP	555	0.19%	(555)	-0.19%
Total	555	0.19%	(555)	-0.19%

LONG ISLAND ASSETS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019****26. 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.

The carrying value of the Company's financial assets and liabilities measured at amortised cost is a reasonable approximation of fair value.

The following table shows the Company's financial assets and liabilities by fair value hierarchy and balance sheet classification:

As at 31st December 2019	Fair value	Level 1	Level 2	Level 3
	\$	\$	\$	\$
Financial assets				
Loans and advances at amortised cost	867,278,009	-	867,278,009	-
Financial assets mandatorily at fair value through income statement	4,236,344,171	-	4,236,344,171	-
	<u>5,103,622,180</u>	<u>-</u>	<u>5,103,622,180</u>	<u>-</u>
Financial liabilities				
Financial liabilities at amortised cost	(264,627,962)	-	(264,627,962)	-
Financial liabilities designated at fair value through income statement	(3,857,509,941)	-	(3,857,509,941)	-
	<u>(4,122,137,903)</u>	<u>-</u>	<u>(4,122,137,903)</u>	<u>-</u>
As at 31st December 2018	Fair value	Level 1	Level 2	Level 3
	\$	\$	\$	\$
Financial assets				
Loans and advances at amortised cost	4,814,287,503	-	4,814,287,503	-
Financial assets mandatorily at fair value through income statement	3,400,844,858	-	3,400,844,858	-
	<u>8,215,132,361</u>	<u>-</u>	<u>8,215,132,361</u>	<u>-</u>
Financial liabilities				
Financial liabilities designated at fair value through income statement	(3,503,799,945)	-	(3,503,799,945)	-
	<u>(3,503,799,945)</u>	<u>-</u>	<u>(3,503,799,945)</u>	<u>-</u>

LONG ISLAND ASSETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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.

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 assets and liabilities 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. 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 demonstrating an executable exit price.

Unobservable input levels are generally determined via reference to observable inputs, historical observations or using other analytical techniques.

27. 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. During the year there have been no other transactions with related parties other than transactions disclosed in the notes to the financial statements.

28. Financial guarantee

In December 2018, the Company entered in to guarantee agreements with Chapelcrest Investments Limited for an aggregate amount of \$3,500,000,000. The Company pledged its loans to Chapelcrest Investments Limited given in note 15, in support of the guarantee. The guarantee agreements will provide credit protection to Chapelcrest Investments Limited in respect of its exposure to Barclays Bank PLC.

As at 31 December 2019, the management have assessed the value of the financial guarantee to be nil (2018: nil) on the basis that the probability of default by Barclays Bank PLC is remote.

LONG ISLAND ASSETS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019****29. Events after the reporting date**

The Company is monitoring the potential downside risk associated with both the direct and indirect impact of the COVID-19 outbreak, the financial effect of which cannot be reliably estimated. However, the impact on the Company has seen a reduction in the value of its fair value financial instruments by \$485m in the first half of 2020. The loss is unrealised and temporary in nature and the Company expects to recover the loss before the maturity of its fair value financial instruments. The Company continues to operate within its risk limits which are being actively monitored by management.

There are no other post balance sheet events.

30. Capital management

The Company's objectives when managing capital are:

- 1) To safeguard the Company's ability to continue as a going concern; and
- 2) To maintain an optimal capital structure in order to reduce the cost of capital.

The Board of Directors is responsible for capital management and ensures that the Company operates within the Barclays Group risk framework.

The Company regards as capital its equity, reported on the balance sheet.

The total capital of the Company is as follows:

	2019	2018
	\$	\$
Share capital	5,328,001	5,328,001
Retained earnings/(accumulated losses)	126,575,331	(24,588,896)
Other reserves	551,154,627	4,751,154,627
Other equity	263,810,175	-
Total	<u>946,868,134</u>	<u>4,731,893,732</u>

31. Parent undertaking and ultimate holding company

The immediate parent of the company is Barclays Long Islands Limited. The parent undertaking of the smallest group that presents group financial statements is Barclays Bank PLC. The ultimate parent company and controlling party is Barclays PLC, which is the parent company of the largest group that presents group financial statements. Both companies are incorporated in the United Kingdom and registered in England. Barclays Bank PLC's and Barclays PLC's statutory financial statements are available from Barclays Corporate Secretariat, 1 Churchill Place, London E14 5HP.