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Procella Investments LLC

Directors' Report and Financial Statements
For the year ended 31 December 2016

REGISTERED NUMBER IN ENGLAND AND WALES: FC030525
REGISTERED NUMBER IN DELAWARE: 4992844

PROCELLA INVESTMENTS LLC
Report and Financial Statements
Registered Number in England & Wales: FC030525

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PROCELLA INVESTMENTS LLC
Registered Number in England & Wales: FC030525

DIRECTORS' REPORT
For the year ended 31 December 2016

The Directors present their annual report together with the audited financial statements of Procella Investments LLC (the "Company") for the year ended 31 December 2016.

Profit and dividends
During the year to 31 December 2016 the Company made a profit after tax of $52,853 (2015: $47,384). The Directors recommend the payment of a dividend of $20,586 (2015: $18,668).

Directors
The Directors of the Company, who served during the financial 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:

Name	
C Gyte	(resigned 17 February 2016)
B Hill	(resigned 17 February 2016)
C Le Neve Foster	(appointed 22 February 2016)
P Voisey	(appointed 22 February 2016)
A Jordanov	(resigned 23 September 2016)
A Shah	(resigned 25 January 2017)
V Shah	(appointed 5 October 2016)

Since the year end, Carl Senior was appointed as a Director on 20 March 2017 and Abinav Shah resigned as a Director on 25 January 2017.

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

Statement of Directors' Responsibilities
The following statement, which should be read in conjunction with the Independent Auditors' report set out on pages 4 to 5, is made with a view to distinguishing for shareholders the respective responsibilities of the Directors and of the Auditors in relation to the accounts.

The Directors are required by the Companies Act 2006 as applicable to overseas companies to prepare accounts for each financial year. The Directors have prepared the accounts in accordance with International Financial Reporting Standards ('IFRS') to present fairly the financial position of the Company and the performance for that period. However, for presentation and disclosure purposes, the Directors have adopted the requirements under the Regulations and selected disclosures under IFRS which the Directors deem to be relevant in understanding its state of affairs. As a result, the items listed in note 2 which are required under IFRS are not included in these financial statements.

The Companies Act 2006 as applicable to overseas companies provides, in relation to such accounts, that references to accounts giving a true and fair view are references to fair presentation.

The Directors consider that in preparing the financial statements on pages 6 to 17:
- the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates:
- that all the accounting standards which they consider to be applicable have been followed; and
- that the financial statements have been prepared on a going concern basis.

PROCELLA INVESTMENTS LLC
Registered Number in England & Wales: FC030525

DIRECTORS' REPORT
For the year ended 31 December 2016 (continued)

The Directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure the financial statements comply with the Companies Act 2006 as applicable to overseas companies. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Future Outlook
The Directors expect performance for continuing activities in the coming year to be comparable with that of the current year.

Financial risk management
The Company's activities are exposed to a variety of financial risks. The Company is required to follow the requirements of the Barclays PLC 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.

Directors' third party indemnity provisions
Qualifying third party indemnity provisions were in force (as defiened by section 234 of the Companies Act 2006) during the course of the financial year ended 31 December 2016 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 which may occur (or have occurred) in connection with their duties, powers or office.

Independent auditors

PricewaterhouseCoopers LLP has held office in accordance with Section 487 of the Companies Act 2006 for the 2016 financial year. Following a rigorous tender process conducted by the Barclays PLC Audit Committee, KPMG LLP will assume the role as independent auditors for the Barclays PLC Group, of which the Company is a member, for the year-end 31 December 2017. Formal appointment as auditor to the Company will be completed after the approval of these financial statements.

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.

FOR AND ON BEHALF OF THE BOARD

Director
Name: VISHAL SHAH
Date: 23/8/2017
Procella Investment LLC
FC030525

PROCELLA INVESTMENTS LLC
Registered Number in England & Wales: FC030525

STRATEGIC REPORT
For the year ended 31 December 2016

Review and principal activities

The principal activity of Procella Investments LLC (the "Company") is to act as an investment company. No significant change in this activity is envisaged in the foreseeable future.

Business performance

The results of the Company show a profit after tax of \$52,853 (2015: \$47,384). The Company has net assets of \$465,804 (2015: \$433,537). The Directors recommend the payment of a dividend of \$20,586 (2015: \$18,668).

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.

Future Outlook

The Directors expect performance for continuing activities in the coming year to be comparable with that of the current year.

Principal risks and 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 on the 'Risk Review' section of Barclays PLC 2016 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 segment 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 Barclays PLC, is discussed on the 'Strategic Report' section of Barclays PLC 2016 Annual Report which does not form part of this report.

FOR AND ON BEHALF OF THE BOARD

Director
Name: VISHAL SHAH
Date: 23|8|2017
Procella Investments LLC
FC030525

Independent auditors' report to the directors of Procella Investments LLC

Report on the financial statements

Our opinion

In our opinion, Procella Investments LLC's financial statements (the "financial statements") for the year ended 31 December 2016 have been properly prepared, in all material respects, in accordance with the basis of preparation in notes 2 and 3 and accounting policies in note 4 to the financial statements.

What we have audited

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

- the Balance Sheet as at 31 December 2016;
- the Income Statement for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and the basis of preparation in notes 2 and 3 and accounting policies in note 4 to the financial statements.

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

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on pages 1 and 2, the directors are responsible for the preparation of the financial statements in accordance with the basis of preparation in notes 2 and 3 and accounting policies in note 4 to the financial statements and for determining that the basis of preparation and accounting policies are acceptable in the circumstances.

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

This report, including the opinion, has been prepared for and only for the company's directors as a body for management purposes in accordance with our engagement letter dated 6 June 2016 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come, including without limitation under any contractual obligations of the company, save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

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

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

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

Independent auditors' report to the directors of Procella Investments LLC (continued)

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

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

PRICEWATERHOUSE COOPERS LLP

PricewaterhouseCoopers LLP
Chartered Accountants
London

29 August 2017

PROCELLA INVESTMENTS LLC
Registered Number in England & Wales: FC030525

INCOME STATEMENT
FORE THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 $	2015 $
Interest income	5	94,524	93,698
Interest expense	6	(28,201)	(28,609)
Net interest income		**66,323**	**65,089**
Profit before tax	7	**66,323**	**65,089**
Tax	10	(13,470)	(17,705)
Profit after tax		**52,853**	**47,384**

Profit after tax 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. The accompanying notes on pages 8 to 17 form an integral part of the financial statements.

PROCELLA INVESTMENTS LLC
Registered Number in England & Wales: FC030525

BALANCE SHEET AS AT 31 DECEMBER 2016

	Note	2016 $	Restated 2015 $
ASSETS			
Non-current assets			
Loans and advances	11	-	988,322
Total non-current assets		**-**	**988,322**
Current assets			
Cash and cash equivalents	12	46,032	32,039
Accrued interest receivable		-	258
Loans and advances	11	988,322	-
Total current assets		**1,034,354**	**32,297**
TOTAL ASSETS		**1,034,354**	**1,020,619**
LIABILITIES			
Current Liabilities			
Current tax liability	13	(30,705)	(17,236)
Borrowings	14	(27,741)	(34,128)
Total current liabilities		**(58,446)**	**(51,364)**
Net current assets/(liabilities)		**975,908**	**(19,067)**
Non-current liabilities			
Borrowings	14	(510,104)	(535,718)
Total non-current liabilities		**(510,104)**	**(535,718)**
NET ASSETS		**465,804**	**433,537**
SHAREHOLDER'S EQUITY			
Called up share capital	15	342,985	342,985
Retained earnings	16	122,819	90,552
TOTAL SHAREHOLDER'S EQUITY		**465,804**	**433,537**

The accompanying notes on pages 8 to 17 from an integral part of the financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 23 August 2017 and were signed on its behalf by:

Director
Name: VISHAL SHAH
Date: 23|8|2017

PROCELLA INVESTMENTS LLC
Registered Number in England & Wales: FC030525

NOTES TO THE FINANCIAL STATEMENTS

1. REPORTING ENTITY

The financial statements are prepared for Procella Investments LLC (the "Company"), the principal activity of which is to act as an investment Company. The financial statements are prepared for the Company only, in line with the UK Companies Act 2006. The Company is a wholly owned subsidiary of Barclays Capital Holdings, Inc. and its ultimate parent Company is Barclays PLC. Barclays PLC prepares 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 limited liability company incorporated and domiciled in the US State of Delaware. The Company's registered office is:

1201 North Market Street
Wilmington, New Castle County, Delaware 19801
USA

2. COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

The financial statements have been prepared in accordance with the Overseas Companies Regulations 2009 (SI 2009/1801) made under section 1049 of the Companies Act 2006 (the "Regulations"). The Company has applied Section 396 of the Companies Act 2006, as modified by the Regulations, in producing overseas companies individual financial statements.

The Company applies the measurement and recognition requirements of International Financial Reporting Standards ("IFRS") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"), as published by the International Accounting Standards Board ("IASB") and in accordance with the IFRS's and IFRIC interpretations as adopted by the European Union.

However, for presentation and disclosure purposes, the Directors have adopted the requirements under the Regulations and selected disclosures under IFRS which the Directors deem to be relevant in understanding its state of affairs. As a result, the following items which are required under IFRS are not included in these financial statements:

1. Statement of Changes in Equity;
2. Statement of Cash flows;
3. Capital Management note;
4. IFRS 7 Financial Instruments: Disclosures to the extent they are not relevant in assessing the Company's state of affairs; and
5. IFRS 12 – *Disclosure of interests in other entities*
6. IFRS 13 Fair Value Measurement

The preparation of these financial statements in conformity with the Regulations requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. BASIS OF PREPARATION (continued)

or permitted under IAS 39, 'Financial Instruments, recognition, and measurement' as set out in the relevant accounting policies. They are presented in US dollars, the currency of the country in which the Company is incorporated. The Directors have changed the headings for interest income and expense on the face of the income statement and in notes 5 and 6 to better reflect the activities of the entity, and none of the balances have been restated.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied.

Revenue recognition
Revenue is recognised in the income statement when it is probable that the economic benefits associated with the transaction will be received by the Company. Revenue is reported at the fair value of the consideration received or receivable.

Interest
Interest income or expense is recognised on all interest bearing financial instruments classified as held to maturity, available for sale or other loans and advances, 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.

Foreign currency translation
Items included in the financial statements of the Company are measured using their functional currency, being US Dollar (USD).

Foreign currency transactions are translated into US dollars using the spot 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. Foreign exchange gains / losses relating to taxation are included within the tax expense.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)*

Current 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.

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.

Loans and advances

Loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and which are not classified as available for sale. They are included in current assets, except for maturities greater than twelve months after the balance sheet date. These are classified as non-current assets. Loans and advances are stated at amortised cost using the effective interest method. They are initially recognised at fair value including direct and incremental transaction costs. They are subsequently valued at amortised cost, using the effective interest method. They are derecognised when the rights to receive cash flows have expired or the Company has transferred substantially all the risks and rewards of ownership.

Financial liabilities

Financial liabilities are measured at amortised cost, except for trading liabilities and liabilities designated at fair value, 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.

Borrowings

Borrowings / Debt securities entered into and debt securities issued by the Company are recognised as a liability when a contractual agreement results in the Company having a present obligation to deliver cash or another financial asset to the holder. The liability is initially recognised at fair value and amortised to the redemption value using the effective rate of interest over the life of the instrument.

Borrowing costs, including interest, dividends, gains and losses are recognised in the income statement as income or expense in the period in which they are incurred.

Share capital issued by the Company has been classified as compound financial instrument in accordance with IAS 32 and is split into debt and equity components. The liability component of the share capital is amortised through the income statement as interest expense on an effective yield basis.

Called up share capital

Share capital issued by the Company has been classified as a compound financial instrument in accordance with IAS 32 and split into debt and equity components.

Equity component is classified as share capital and the costs associated with the issuance of shares are recorded as a deduction from equity. Financial instruments are classified as share capital if they have the following characteristics:

- There is no present obligation to deliver cash or another financial asset to the holder;
- There is a contractual obligation for the Company to deliver to the holder of the instrument a pro rate share of its net assets on liquidation, as the liquidation is certain and outside the control of the Company;

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- The instrument provides the holder with a pro rata share of the assets of the entity;
- It is the only instrument and therefore is the subordinate class; and
- There are no other instruments at issue that share in the residual economics nor that fix the return to the holder of such instrument.

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 shareholder(s).

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 2016 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

There are expected to be a number of significant changes to the Company's financial reporting after 2016 as a result of amended or new accounting standards that have been or will be issued by the IASB. The most significant of these is as follows:

IFRS 9 Financial Instruments ("IFRS 9") which will replace IAS 39 Financial Instruments: Recognition and Measurement and is effective for periods beginning on or after 1 January 2018 and was endorsed by the EU in November 2016. IFRS 9, in particular the impairment requirements, will lead to significant changes in the accounting for financial instruments. The Company does not expect to restate comparatives on initial application of IFRS 9 on 1 January 2018 but will provide detailed transitional disclosures in accordance with the amended requirements of IFRS 7. The key changes relate to:

Impairment:
IFRS 9 introduces a revised impairment model which will require entities to recognise expected credit losses based on unbiased forward-looking information. This replaces the existing IAS 39 incurred loss model which only recognises impairment if there is objective evidence that a loss is already incurred and would measure the loss at the most probable outcome. The IFRS 9 impairment model will be applicable to all financial assets at amortised cost, lease receivables, debt financial assets at fair value through other comprehensive income, loan commitments and financial guarantee contracts. This contrasts to the IAS 39 impairment model which is not applicable to loan commitments and financial guarantee contracts (these were covered by IAS 37). In addition, the IAS 39 available for sale assets model is not fully aligned to the model for amortised cost assets. Intercompany exposures, including loan commitments and financial guarantee contracts, are also in scope in the stand alone reporting entity accounts. The measurement of expected loss will involve increased complexity and judgment including estimation of probabilities of defaults, loss given default, a range of unbiased future economic scenarios, estimation of expected lives, estimation of exposures at default and assessing increases in credit risk. It is expected to have a material financial impact and impairment charges will tend to be more volatile. Impairment will also be recognised earlier and the amounts will be higher. Unsecured products with longer expected lives, such as revolving credit cards, are expected to be most impacted.

A joint accountable risk and finance implementation and governance programme was established by Barclays in 2014 to implement the requirements. During 2016, work continued on the design and builds of impairment models, systems, processes, governance, controls and data collection and

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

continues to be refined during 2017. During 2017, there is a planned parallel run which includes continued model, process and output validation, testing, calibration and analysis.

Classification and measurement:
IFRS 9 will require financial assets to be 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'). 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. 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.

The accounting for financial liabilities is largely unchanged, except for financial liabilities designated at fair value through profit and loss. Gains and losses on such financial liabilities arising from changes in Barclays' own credit risk will be presented in other comprehensive income rather than in profit and loss. There is no subsequent reclassification of realised gains or losses on own credit to profit and loss statement.

Barclays' Classification and Measurement implementation programme is in progress. The focus of the project during 2017 will be on finalising processes, governance and controls in preparation for initial application in 2018. IFRS 9 is applied retrospectively, although comparatives are not restated, with adjustments arising from classification and measurement changes recognised in opening retained earnings.

The Company is considering the financial impact of the new standard.

Critical accounting estimates and judgements
The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the accounting policies. The notes to the financial statements set out areas involving a higher degree of judgment or complexity, or areas where assumptions are significant to the financial statements. There are no such areas applicable for this entity.

5. INTEREST INCOME

	2016	2015
	$	$
Interest income from group undertakings	94,524	93,698
	94,524	93,698

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. INTEREST EXPENSE

	2016	2015
	$	$
Interest expense to parent undertaking	(27,854)	(28,262)
Interest expense to HMRC	(347)	(347)
	(28,201)	**(28,609)**

7. PROFIT BEFORE TAX

The audit fee is borne by another group company and is not recharged. Although the audit fee is borne by another group company, the fee that would have been charged to the Company amounts to $8,240 (2015: $10,085) for the year. This fee is not recognised as an expense in the financial statements.

8. DIRECTORS' EMOLUMENTS

The Directors did not receive any emoluments in respect of their services to the Company during the year (2015: $nil).

During the year, no Director exercised options under the Barclays PLC Sharesave Scheme and Long Term Incentive schemes (2015: nil).

9. STAFF COSTS

There were no employees employed by the Company during 2016 or 2015.

10. TAX

The analysis of the charge for the year is as follows:	2016	2015
	$	$
UK corporation tax	(18,365)	(19,025)
Adjustment for prior years	253	-
Foreign exchange	4,642	1,320
Tax	**(13,470)**	**(17,705)**

The UK corporation tax charge is based on the UK corporation tax rate of 20.00% (2015: 20.25%). Legislation has been introduced to reduce the main rate of UK corporation tax to 19% from 1 April 2017 and 17% from 1 April 2020.

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

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NOTES TO THE FINANCIAL STATEMENTS (continued)

10. TAX (continued)

	2016	2015
	$	$
Profit before tax	66,323	65,089
Profit multiplied by the UK corporation tax rate of 20.00% (2015: blended rate of 20.25%)	(13,265)	(13,181)
Effect of:		
Adjustments in respect of prior years	253	
Share of taxable income from Alynore Investments LP	(18,531)	(19,082)
Non-taxable accounting distribution from Alynore Investments LP	19,002	18,961
Non-deductible interest expense	(5,571)	(5,723)
Foreign exchange	4,642	1,320
Tax	**(13,470)**	**(17,705)**

11. LOANS AND ADVANCES

	2016	2015
	$	$
Non-current		
Loans and advances to group undertakings	-	988,322
	-	**988,322**
Current		
Loans and advances to group undertakings	988,322	-
	988,322	**-**

The Company owns a limited partnership interest in Alynore Investments Limited Partnership that is incorporated and domiciled in England and Wales. The partnership interest has a fixed maturity date of 11 July 2032, holds no voting rights and entails an entitlement to an annual rate of interest of 9.3750% (2015: 9.40439%), an amount calculated annually based on applicable UK taxation rates such that the post-tax interest received by the Company should exactly offset the payments due on the share issued to Wave SPC Series 2007.

12. CASH AND CASH EQUIVALENTS

	2016	2015
	$	$
Cash in bank	46,032	32,039
	46,032	**32,039**

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. CURRENT TAX LIABILITY

	2016	2015
	$	$
UK Corporate tax payable	(30,705)	(17,236)
	(30,705)	**(17,236)**

14. BORROWINGS

Share capital issued by the Company is a compound financial instrument and is classified as a debt and equity component.

The holder of the share capital is entitled to payments of a fixed rate dividend at a rate of 5% per annum payable on a monthly basis. The present value of future fixed rate dividends is classified as a liability on the date of issuance of the share. The liability component of the share capital is amortised through the income statement as interest expense on an effective yield basis.

	2016	Restated 2015
	$	$
Current liabilities		
Borrowing	**(27,741)**	**(34,128)**
Non current liabilities		
Borrowing	**(510,104)**	**(535,718)**

Current and non-current liability numbers as of 31 December 2015 have been restated to reflect appropriate classification consistent with the numbers reported as of 31 December 2016.

15. CALLED UP SHARE CAPITAL

	Number of shares	Ordinary shares	Share Premium	Total
		$	$	$
As at 1 January 2016	1	0.01	342,985	342,985
Shares issued	-	-	-	-
As at 31 December 2016	**1**	**0.01**	**342,985**	**342,985**

	Number of shares	Ordinary shares	Share Premium	Total
		$	$	$
As at 1 January 2015	1	0.01	342,985	342,985
Shares issued	-	-	-	-
As at 31 December 2015	**1**	**0.01**	**342,985**	**342,985**

The Company issued ordinary shares to Wave SPC Series 2007 as follows:

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. CALLED UP SHARE CAPITAL (continued)

	2016	2015
	$	$
Authorised:		
1 Ordinary share of $0.01 each (2015: 1 ordinary share of $0.01 each)	0.01	0.01
Allotted and fully paid:		
1 Ordinary share of $0.01 each (2015: 1 ordinary share of $0.01 each)	0.01	0.01

The holders of the equity are not entitled to any voting rights and are entitled to pro rate share of the assets of the entity upon liquidation. The Company will be liquidated on 7 June 2032 as it has a limited duration.

16. RETAINED EARNINGS

	2016	2015
	$	$
Balance as at 1 January	90,552	61,836
Profit after tax	52,853	47,384
Dividend paid	(20,586)	(18,668)
Balance at 31 December	**122,819**	**90,552**

17. 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, as well as the Company's key management which includes its Directors.

Wave SPC Series 2007 is the parent undertaking and Barclays Capital Holdings Inc is the controlling party. During the financial year there have been no other transactions with related parties other than the transactions disclosed in the notes to the financial statements and cash is held with Barclays Bank PLC.

18. ULTIMATE HOLDING COMPANY

Wave SPC Series 2007 is the parent undertaking and Barclays Capital Holdings Inc is the controlling party. The parent undertaking of the smallest group that presents consolidated financial statements is Barclays Bank PLC. The ultimate holding Company and the parent Company of the largest group that presents group financial statements is Barclays PLC. Both companies are incorporated in Great Britain and registered in England. Barclays Bank PLC's and Barclays PLC's statutory financial statements are available for public use from the Group Corporate Secretariat, 1 Churchill Place, London E14 5HP.

NOTES TO THE FINANCIAL STATEMENTS (continued)

19. POST BALANCE SHEET EVENTS

On 11 May 2017, the Company was acquired by Preferred Liquidity LLC. As a result of the acquisition, the Company's interest has been amended such that the instrument will not entitle the holder to a fixed dividend. Following the acquisition, the Company distributed Alynore Investment LP A interest as financial assets at fair value of $988,322 to Preferred Liquidity LLC.