



## **AIB CORPORATE LEASING LIMITED**

### **DIRECTORS' REPORT AND ANNUAL FINANCIAL STATEMENTS For the financial year ended 31 December 2017**

Registered in England and Wales: 01483027



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**DIRECTORS AND OTHER INFORMATION**

<b>DIRECTORS</b>	Mr. John McMullen Mr. John Silcox
<b>REGISTERED OFFICE</b>	AIB St. Helen's 1 Undershaft London EC3A 8AB United Kingdom
<b>REGISTERED NUMBER</b>	01483027
<b>SECRETARY</b>	Mr. Iain Hamilton
<b>REGISTERED AUDITOR</b>	Deloitte Ireland LLP Chartered Accountants and Statutory Audit Firm Deloitte & Touche House Earlsfort Terrace Dublin 2 Ireland
<b>BANKERS</b>	Allied Irish Banks, p.l.c. Bankcentre Ballsbridge Dublin 4 Ireland

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## **DIRECTORS' REPORT**

The Directors present herewith their annual report and audited financial statements for AIB Corporate Leasing Limited ('the Company') for the year ended 31 December 2017. A Directors' Responsibility Statement in relation to the financial statements appears on page 6.

The Company has chosen, in accordance with Section 414C(11) of the Companies Act 2006, and as noted in this Director's Report, to include certain matters, such as a review of future developments; subsequent events after the balance sheet date; and principal risks and uncertainties in its Strategic Report that would otherwise be required to be disclosed in this Directors' Report. The Strategic Report can be found on page 5.

### **GOING CONCERN**

The financial statements for the year ended 31 December 2017 have been prepared on a going concern basis as the Directors are satisfied, having considered the risks and uncertainties impacting the Company, that it has the ability to continue in business for the period of assessment. The period of assessment used by the Directors is twelve months from the date of approval of these annual financial statements. The Company is dependent on Allied Irish Banks p.l.c. ("AIB") for continued funding and is therefore dependent on the going concern of AIB.

In making its assessment, the Directors have considered a wide range of information relating to present and future conditions of the Company including continuing availability of sufficient resources from AIB.

AIB's financial statements for the year ended 31 December 2017 were prepared on a going concern basis.

### **Conclusion**

The Directors of AIB believe that it is appropriate to prepare the financial statements on a going concern basis having concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on AIB's ability to continue as a going concern over the period of assessment.

On the basis of the continued availability of funding from AIB, the Directors of the Company consider that it is appropriate to prepare these financial statements on a going concern basis.

### **ACCOUNTING RECORDS**

The Directors believe that they have complied with the requirements of Section 386 of the Companies Act, 2006 with regard to accounting records by allocating personnel with appropriate expertise and by providing adequate resources to the financial function. The accounting records of the Company are maintained at AIB, Bankcentre, Ballsbridge, Dublin 4, Ireland.

### **DIRECTORS AND SECRETARY DURING THE YEAR**

The following were Directors of the Company during 2017:

John McMullen  
John Silcox

The Secretary of the Company at 31 December 2017 was:

Iain Hamilton

David O'Callaghan resigned as secretary of the Company on 31 March 2017 and Iain Hamilton was appointed on the same date.

None of the Directors nor Secretary who held office at the end of the year had any disclosable interests, as defined in the UK Companies Act 2006, in the shares of the Company or any other Group undertakings.

No contracts of significance in which a director had a material interest existed at the end of the year or at anytime during the year.

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**DIRECTORS' REPORT (continued)****DISCLOSURE OF INFORMATION TO AUDITOR**

Each of the Persons who is a Director at the date of approval of this Report confirms that:

(a) so far as the Director is aware, there is no relevant audit information of which the Company's Auditor is unaware; and

(b) the Director has taken all steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

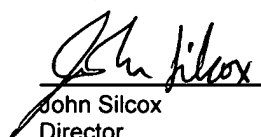
**INDEPENDENT AUDITOR**

Deloitte Ireland LLP, Chartered Accountants and Statutory Audit Firm, has expressed their willingness to continue in office under Section 487 of the UK Companies Act, 2006.

Approved by the Board of Directors and signed on its behalf by:



John McMullen  
Director



John Silcox  
Director

Date: 2 August 2018

Date: 2 August 2018

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## STRATEGIC REPORT

### PRINCIPAL ACTIVITIES

The Company was engaged in the business of property leasing. In July 2010, the leasing business was sold and the Company activity is now to act as a holding company. The Company did not trade during the year. The Directors expect the Company to remain dormant for the foreseeable future.

The Company is a wholly owned subsidiary of Allied Irish Banks, p.l.c. ("AIB") and receives ongoing resources which enable the Company to meet its obligations as they fall due. The ultimate parent company of the Company and AIB is AIB Group plc. Pursuant to a scheme of arrangement between AIB and its shareholders, AIB Group plc became the holding company of AIB and its subsidiaries, including the Company on 8 December 2017.

### BUSINESS REVIEW

The results for the year are set out in the attached financial statements. The Company did not declare nor pay any dividend for the financial year ended 31 December 2017 or in the previous financial year.

The Company's statement of financial position shows negative net equity at 31 December 2017 of £367k (2016: negative net equity £365k).

### STRATEGY AND OUTLOOK

The Directors expect the Company to remain dormant for the foreseeable future.

### PRINCIPAL RISKS AND UNCERTAINTIES

Information concerning the principal risks and uncertainties facing the Company as required under the terms of the European Accounts Modernisation Directive (2003/51/EEC) is set out in Note 10 to the Financial Statements.

### CAPITAL MANAGEMENT

The Company is dependent on AIB for its capital and funding.

### POLITICAL AND CHARITABLE DONATIONS

The Company made no political or charitable contributions during the year (2016: Nil).

### EVENTS SINCE THE YEAR END

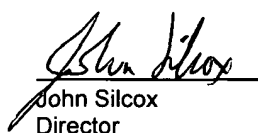
There have been no significant events affecting the Company since the reporting date which require amendment to, or disclosure in, the financial statements.

Approved by the Board of Directors and signed on its behalf by:



John McMullen  
Director

Date: 2 August 2018



John Silcox  
Director

Date: 2 August 2018

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## DIRECTORS' RESPONSIBILITY STATEMENT

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

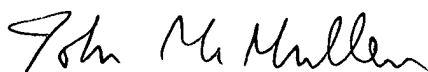
Company law requires the Directors to prepare financial statements for each year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and applicable law.

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, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Board,



John McMullen  
Director

Date: 2 August 2018



John Silcox  
Director

Date: 2 August 2018

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AIB CORPORATE LEASING LIMITED****Report on the audit of the financial statements****Opinion**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and IFRSs as issued by the International Accounting Standards Board (IASB); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of AIB Corporate Leasing Limited (the 'Company') which comprise:

- the income statement;
- the statement of comprehensive income;
- the statement of financial position;
- the statement of cash flows;
- the statement of changes in shareholders' equity; and
- the related notes 1 to 17.

The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other information**

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.



## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AIB CORPORATE LEASING LIMITED

### Report on the audit of the financial statements

#### Opinion

In our opinion the financial statements of AIB Corporate Leasing Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and IFRSs as issued by the International Accounting Standards Board (IASB); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Income Statement;
- the Statement of Comprehensive Income;
- the Statement of Financial Position;
- the Statement of Cash Flows;
- the Statement of Changes in Shareholders Equity; and
- the related notes 1 to 17.

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

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

#### Other information

The directors are responsible for the other information. The other information comprises the information included in the directors' report and annual financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

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## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AIB CORPORATE LEASING LIMITED

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Report on other legal and regulatory requirements**

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report or the Directors' Report.

#### **Matters on which we are required to report by exception**

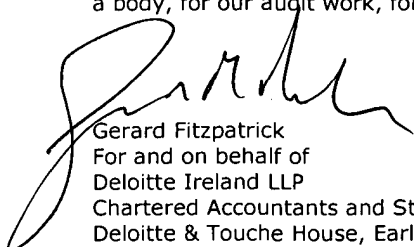
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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 respect of these matters.

#### **Use of our report**

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.



Gerard Fitzpatrick  
For and on behalf of  
Deloitte Ireland LLP  
Chartered Accountants and Statutory Audit Firm  
Deloitte & Touche House, Earlsfort Terrace, Dublin 2  
Dublin

Date: 20/8/2018

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AIB CORPORATE LEASING LIMITED (continued)**

### **Responsibilities of directors**

As explained more fully in the Directors' Responsibility Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of our report**

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.

### **Report on other legal and regulatory requirements**

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the Directors' Report.

#### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters 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 respect of these matters.

**Gerard Fitzpatrick**

**For and on behalf of Deloitte Ireland LLP**

Chartered Accountants and Statutory Audit Firm

Deloitte & Touche House

Earlsfort Terrace

Dublin 2

Date

## INCOME STATEMENT

for the year ended 31 December 2017

	Note	2017 £'000	2016 £'000
Other operating (expense)		-	(17)
<b>Total Operating (Expense)</b>		-	(17)
<b>(Loss) before taxation</b>		-	(17)
Taxation	3	(2)	15
<b>(Loss) for the year</b>		<b>(2)</b>	<b>(2)</b>

The operating profit arises from continuing operations.

## STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2017

	2017 £'000	2016 £'000
<b>(Loss) for the year</b>	<b>(2)</b>	<b>(2)</b>
Other comprehensive income for the year	-	-
<b>Total comprehensive (loss) for the year</b>	<b>(2)</b>	<b>(2)</b>

See accompanying notes which form an integral part of the financial statements.

## STATEMENT OF FINANCIAL POSITION

as at 31 December 2017

	Note	2017 £'000	2016 £'000
<b>Current Assets</b>			
Investment in subsidiary undertakings	5	-	-
Amounts due from group undertaking	6	2,060	2,052
Tax receivable	7	5	15
<b>Total Assets</b>		<b>2,065</b>	<b>2,067</b>
<b>Liabilities</b>			
Amounts due to group undertaking	8	2,432	2,432
<b>Total Liabilities</b>		<b>2,432</b>	<b>2,432</b>
<b>Shareholders' equity</b>			
Called up share capital presented as equity	9	-	-
Revenue reserves		(367)	(365)
<b>Total shareholders' equity</b>		<b>(367)</b>	<b>(365)</b>
<b>Total Liabilities and shareholders' equity</b>		<b>2,065</b>	<b>2,067</b>

See accompanying notes which form an integral part of the financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 2 August 2018.

They are signed on its behalf by:



John McMullen  
Director

Date: 2 August 2018



John Silcox  
Director

Date: 2 August 2018

Company registration number: 01483027

# STATEMENT OF CASH FLOWS

for the year ended 31 December 2017

	2017 £'000	2016 £'000
<b>Cash inflow from operating activities</b>		
Loss for the financial year before taxation	-	(17)
Decrease in VAT receivable	-	17
Increase in amounts due from group undertakings	8	-
<b>Net cash flows from operating activities before taxation</b>		
Taxation - group relief received	(8)	-
<b>Net cash flows from operating activities</b>	-	-
<b>Net cash flows from investing activities</b>	-	-
<b>Net cash flows from financing activities</b>	-	-
<b>Change in cash and cash equivalents</b>	-	-
Opening cash and cash equivalents	-	-
<b>Closing cash and cash equivalents</b>	-	-

# STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

for the year ended 31 December 2017

	Ordinary Share Capital	Revenue Reserves	Total Shareholders' Equity
	£'000	£'000	£'000
At 1 January 2017	-	(365)	(365)
Total comprehensive loss for the year	-	(2)	(2)
At 31 December 2017	-	(367)	(367)
At 1 January 2016	-	(363)	(363)
Total comprehensive loss for the year	-	(2)	(2)
At 31 December 2016	-	(365)	(365)

## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

The accounting policies that the Company applied in the preparation of the financial statements for the year ended 31 December 2017 are set out below.

#### 1.1 REPORTING ENTITY

AIB Corporate Leasing Limited is a private company domiciled in the United Kingdom and its registered office is AIB, St. Helen's, 1 Undershaft, London, EC3A 8AB, United Kingdom. The Company's registered number is 01483027.

#### 1.2 STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with International Accounting Standards and International Financial Reporting Standards (collectively "IFRSs") as issued by the International Accounting ("IASB") and International Financial Reporting Standards as adopted by the European Union ("EU") and applicable for the financial year ended 31 December 2017. The financial statements also comply with the Companies Act, 2006.

Consolidated financial statements have not been prepared by the Company for the financial year ended 31 December 2017 as it is itself a wholly owned subsidiary of AIB and it meets all the conditions set out under IFRS10 to avail of this exemption.

The accounting policies have been consistently applied by the Company and are consistent with the prior financial year, unless otherwise described.

#### 1.3 BASIS OF PREPARATION

##### *(a) Going Concern*

The financial statements for the financial year ended 31 December 2017 have been prepared on a going concern basis as the Directors are satisfied, having considered the risks and uncertainties impacting the Company, that it has the ability to continue in business for the period of assessment. The period of assessment used by the Directors is twelve months from the date of approval of these annual financial statements. The Company is dependent on AIB for continued funding and is therefore dependent on the going concern of AIB.

In making its assessment, the Directors have considered a wide range of information relating to present and future conditions of the Company including continuing availability of sufficient resources from AIB.

AIB's financial statements for the financial year ended 31 December 2017 were prepared on a going concern basis.

##### **Conclusion**

The Directors of AIB believe that it is appropriate to prepare the financial statements on a going concern basis having concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern over the period of assessment.

On that basis the Directors of the Company consider that it is appropriate to prepare these financial statements on a going concern basis.

##### *(b) Accounting Convention*

The financial statements are presented in sterling which is the functional currency of the Company and have been prepared under the historical cost basis.

##### *(c) Critical Accounting Judgements and estimates*

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of certain assets, liabilities, revenues and expenses, and disclosures of contingent assets and liabilities. The estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Since management's judgement involves making estimates concerning the likelihood of future events, the actual results could differ from those estimates.

##### *(d) Adoption of new accounting standards*

During the financial year to 31 December 2017, the Company adopted amendments to standards and interpretations which had an insignificant impact on these annual financial statements.



## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 1. ACCOUNTING POLICIES (continued)

#### 1.4 DUE FROM GROUP UNDERTAKING

Amounts due from Group undertaking are classified as loans and receivables. Loans and receivables are non – derivative financial assets with fixed or determinable payments that are not quoted in an active market and which are not quoted as available for sale. Loans and receivables are initially recognised at fair value adjusted for direct and incremental transaction costs and are subsequently carried on an amortised cost basis. The Company assesses at each reporting date whether there is objective evidence that the asset is impaired.

#### 1.5 INCOME TAX, INCLUDING DEFERRED INCOME TAX

Income tax comprises current tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in other comprehensive income, in which case it is recognised in other comprehensive income. Income tax relating to items in equity is recognised directly in equity. Current tax is the expected tax payable on the taxable income for the year using tax rates enacted or substantially enacted at the reporting date and any adjustment to tax payable in respect of previous years.

#### 1.6 AMOUNTS DUE TO GROUP UNDERTAKING

Amounts due to Group undertaking are classified as financial liabilities. Financial liabilities are initially recognised at fair value being the fair value of consideration received, net of transaction costs incurred. Financial liabilities are subsequently re-measured at amortised cost with any difference between the proceeds net of transaction costs and the redemption value recognised in the income statement using the effective interest method.

#### 1.7 INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

The Company accounts for the investments in subsidiary undertakings that are not classified as held for sale at cost less provisions for impairment. If the investment is classified as held for sale, the Company accounts for it at the lower of its carrying value and fair value less costs to sell.

#### 1.8 SHAREHOLDERS EQUITY

Issued financial instruments, or their components, are classified as equity where they meet the definition of equity and confer on the holder a residual interest in the assets of the Company.

##### *Called up share capital*

Share capital represents funds raised by issuing shares in return for cash or other consideration. Share capital comprises ordinary shares and preference shares of the entity.

##### *Revenue reserves*

Revenue reserves represent retained earnings of the Company.

### 2. OTHER OPERATING (EXPENSE)

	2017 £'000	2016 £'000
Other operating (expense)	-	(17)
	-	(17)

The other operating expense in 2016 of £16,534 related to the write back of VAT receivable which was deemed to be no longer recoverable.

### 3. TAXATION

	2017 £'000	2016 £'000
Current taxation		
Current tax charge on income for the period	3	7
Prior year adjustment – (charge)/ credit	(5)	8
	(2)	15

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 3. TAXATION (continued)

Reconciliation of total tax credit based on applying the standard rate of tax to the (loss) per the financial statements and the total tax credit reported in the financial statements.

	2017 £'000	2016 £'000
Loss before taxation	-	(17)
Total tax based on standard rate of tax of 19.25% (2016: 20%)	-	3
Expenses not deductible for tax purposes	-	(3)
Transfer pricing adjustment	3	7
Prior year adjustment – (charge)/ credit	(5)	8
<b>Tax (charge)/ credit on loss on ordinary activities</b>	<b>(2)</b>	<b>15</b>

The prior year adjustment credit relates to a transfer pricing adjustment included in the company's 2016 corporation tax submission.

### 4. AUDITOR'S FEES

Auditor's remuneration including: Audit Fees, Other Assurance Services, Tax Advisory Services and Other Non-Audit Services is borne by AIB.

### 5. INVESTMENT IN SUBSIDIARY UNDERTAKINGS

AIB Capital Markets Holdings (U.K.) Limited and AIB Asset Management Holdings Limited are subsidiaries of the Company. The Company holds 100% of the equity in AIB Capital Markets Holdings (U.K.) Limited and less than 1% of the equity in AIB Asset Management Holdings Limited. Both companies are incorporated in the United Kingdom and are involved in the business of investment holding companies or a holding company. The value of these investments is £2.

### 6. AMOUNTS DUE FROM GROUP UNDERTAKING

	2017 £'000	2016 £'000
Amounts due from group undertaking	2,060	2,052
	<b>2,060</b>	<b>2,052</b>

Amounts due from Group undertakings are repayable on demand and non-interest bearing.

### 7. TAX RECEIVABLE

	2017 £'000	2016 £'000
Opening Balance	15	-
Income Statement taxation (charge)/credit – Note 3	(2)	15
Payment for group relief received	(8)	-
<b>Current tax receivable</b>	<b>5</b>	<b>15</b>

It is AIB policy that where a company uses tax losses from another AIB company to shelter its tax liability, then it will pay the surrendering company for the use of the losses at the corporation tax prevailing. The settlement will be paid either in cash or through the intercompany account. This balance represents amounts recoverable from other AIB group undertakings in relation to tax losses surrendered.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 8. AMOUNTS DUE TO GROUP UNDERTAKING

	2017 £'000	2016 £'000
Amounts due to group companies	2,432	2,432
	2,432	2,432

Amounts due to group undertaking are repayable on demand and bear no interest.

### 9. CALLED UP SHARE CAPITAL PRESENTED AS EQUITY

	2017 £	2016 £
<b>Authorised: Ordinary shares</b>		
74 Ordinary Shares of £1 each	74	74
<b>Authorised: Preference shares</b>		
26 Preference Shares of £1 each	26	26
<b>Allotted, called up and fully paid</b>		
74 Ordinary Shares of £1 each	74	74
26 Preference Shares of £1 each	26	26

### 10. RISK MANAGEMENT

The financial risk management of the Company is fully integrated with the risk management function of AIB. As a result the policies and procedures used to manage the risk have been incorporated within those of AIB. The Directors consider that the Company's credit risk is minimal, as its exposure is limited to its ultimate holding company, AIB.

The Directors consider that the Company's business is not exposed to any foreign exchange risk, market risk or liquidity risk.

### 11. ULTIMATE PARENT COMPANY

Under a Scheme of Arrangement approved by the High Court of the Republic of Ireland on 6 December 2017, which became effective on 8 December 2017, a new company registered in the Republic of Ireland, AIB Group plc, was introduced as the holding company of AIB. Prior to the Scheme of Arrangement, the ultimate parent company of AIB Corporate Leasing Limited was Allied Irish Banks, p.l.c. a company registered in the Republic of Ireland.

AIB Group plc is the largest group, of which AIB Corporate Leasing Limited is a member, for which consolidated accounts are prepared. The financial statements of AIB and of AIB Group plc are available from its registered address at Bankcentre, Ballsbridge, Dublin 4, Ireland. Alternatively, information can be viewed by accessing AIB Group's website at [www.aibgroup.com](http://www.aibgroup.com).

### 12. CAPITAL RESOURCES

The Company's capital consists of equity comprising issued share capital and retained earnings. The Company is a member of the AIB group of companies which has regulatory disciplines over the use of its capital. The Company is governed by AIB's policy to maintain a strong capital base. It is not separately regulated.

### 13. KEY MANAGEMENT

The Company is a subsidiary of AIB. The time and costs of executives and other staff who are primarily employed by AIB are not specifically recharged. In the Company, key management comprises of the directors of the Company. The emoluments of the Directors are met by AIB. They do not receive remuneration for services provided by the Company.

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**NOTES TO THE FINANCIAL STATEMENTS (continued)****14. EMPLOYEES**

The monthly average number of persons employed by the Company during the year was Nil (2016: Nil).

**15. NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD**

There have been no significant events affecting the Company since the reporting date which require amendment to, or disclosure in, the financial statements.

**16. RELATED PARTY DISCLOSURES**

The Company has related party relationships with AIB and other AIB entities. Amounts due to parent undertaking were £2,432k (2016: £2,432k). All related party transactions have been carried out on an arms length basis. The details of transactions and balances with AIB and other AIB entities are disclosed in Notes 6 and 8.

**17. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved by the Board of Directors on 2 August 2018.