

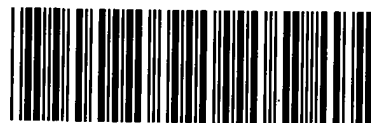
Registered number: 1633009

BANCBOSTON CAPITAL HOLDINGS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

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BANCBOSTON CAPITAL HOLDINGS LIMITED

COMPANY INFORMATION

DIRECTORS

R.I. Jones
H. Singh

COMPANY SECRETARY

Merrill Lynch Corporate Services Limited

REGISTERED NUMBER

1633009

REGISTERED OFFICE

2 King Edward Street
London
EC1A 1HQ

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London
SE1 2RT

BANCBOSTON CAPITAL HOLDINGS LIMITED

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BANCOSTON CAPITAL HOLDINGS LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014**

The directors present their strategic report on BancBoston Capital Holdings Limited ("the "Company") and its subsidiary Brigibus Limited (together the "Group") for the year ended 31 December 2014.

BUSINESS REVIEW

The principal activity of the Company is to act as an investment holding company within the Bank of America Corporation ("BAC") group of companies.

The Group has made a loss of £11,600,000 (2013: profit £43,000) following a review of the Group and Company's debtor position (see note 8). No Interest income was received during the year due to the settlement of cash balance owed by an affiliated company during 2013 (see note 8).

There have been no changes in the principal activity of the Company during the year and the directors expect the principal activity to continue in 2015.

PRINCIPAL RISKS AND UNCERTAINTIES

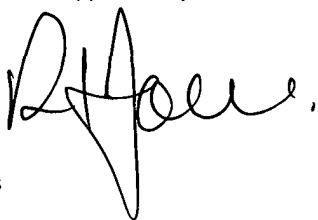
Legal entity governance is built on the BAC comprehensive approach to risk management. BAC's risk management objectives and policies are described in the notes to the financial statements. The notes also describe the Company's applicable exposures in relation to the seven key risk types (market, credit, operational, liquidity, reputational, strategic and compliance risks), see note 13.

FINANCIAL KEY PERFORMANCE INDICATORS

The Group has made a loss of £11,600,000 (2013: profit £43,000). Total net assets are £7,588,000 (2013: £19,188,000).

BAC manages its operations on a divisional basis. For this reason, the Company's directors believe that further key business performance indicators for the Company are not necessary.

This report was approved by the board on 5 August 2015 and signed on its behalf.



R.I. Jones
Director

BANCBOSTON CAPITAL HOLDINGS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014**

The directors present their report and the financial statements for the Company and for the Group for the year ended 31 December 2014.

DIRECTORS' RESPONSIBILITIES STATEMENT

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 consolidated financial statements for each financial year. Under that law the directors have elected to prepare the consolidated financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the consolidated financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period. In preparing these consolidated financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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 the Group and enable them to ensure that the consolidated financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RESULTS AND DIVIDENDS

The result for the year, after taxation, amounted to a loss of £11,600,000 (2013: profit £43,000).

The directors do not recommend the payment of a dividend for the year ended 31 December 2014 (2013: £nil).

DIRECTORS

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

J.M. Atkins (Resigned 28/02/2015)

R.I. Jones

H. Singh (Appointed 03/03/2015)

BANCOSTON CAPITAL HOLDINGS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014**

MATTERS COVERED IN THE STRATEGIC REPORT

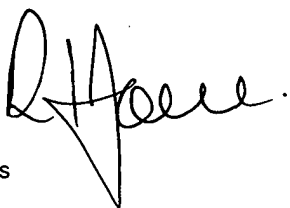
Details regarding a review of the business, including future developments, principal risks and uncertainties and any significant events after the balance sheet date are provided in the Strategic report on page 1.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be 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.



R.I. Jones
Director
Date: 5 August 2015

BANCOSTON CAPITAL HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BANCOSTON CAPITAL HOLDINGS LIMITED

REPORT ON THE FINANCIAL STATEMENTS**Our opinion**

In our opinion, BancBoston Capital Holdings Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2014 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

BancBoston Capital Holdings Limited's financial statements comprise:

- the Consolidated and Company Balance Sheets as at 31 December 2014;
- the Consolidated Profit And Loss Account 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 United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, 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.

OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**Adequacy of accounting records and information and explanations received**

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

BANCBOSTON CAPITAL HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BANCBOSTON CAPITAL HOLDINGS LIMITED

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT**Our responsibilities and those of the directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

This report, including the opinions, has been prepared for and only for the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or the any other person to whom this report is shown or into whose hands it may come 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.

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 Directors' Report and Financial Statements 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.



Thomas Tyler (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London
SE1 2RT

Date: 5 August 2015

BANCBOSTON CAPITAL HOLDINGS LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 £000	2013 £000
Administrative expenses		<u>(11,600)</u>	<u>16</u>
OPERATING (LOSS)/PROFIT	2	(11,600)	16
Interest receivable and similar income	3	<u>-</u>	<u>27</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(11,600)	43
Tax on (loss)/profit on ordinary activities	6	<u>-</u>	<u>-</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	11	<u>(11,600)</u>	<u>43</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and loss account.

The notes on pages 9 to 16 form part of these financial statements.

BANCBOSTON CAPITAL HOLDINGS LIMITED
REGISTERED NUMBER: 1633009

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2014

	Note	£000	2014 £000	£000	2013 £000
CURRENT ASSETS					
Debtors	8	7,588		19,188	
			<u>7,588</u>		<u>19,188</u>
NET CURRENT ASSETS					
			<u>7,588</u>		<u>19,188</u>
NET ASSETS					
			<u>7,588</u>		<u>19,188</u>
CAPITAL AND RESERVES					
Called up share capital	10		2,925		2,925
Capital redemption reserve	11		2,549		2,549
Profit and loss account	11		<u>2,114</u>		<u>13,714</u>
TOTAL SHAREHOLDERS' FUNDS	12		<u>7,588</u>		<u>19,188</u>

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

R.I. Jones
 Director



Date: 5 August 2015

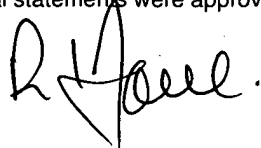
The notes on pages 9 to 16 form part of these financial statements.

BANCBOSTON CAPITAL HOLDINGS LIMITED
REGISTERED NUMBER: 1633009

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2014

	Note	£000	2014 £000	£000	2013 £000
FIXED ASSETS					
Investments	7		5,235		5,235
CURRENT ASSETS					
Debtors	8	7,588		19,188	
CREDITORS: amounts falling due within one year	9	<u>(5,235)</u>		<u>(5,235)</u>	
NET CURRENT ASSETS			<u>2,353</u>		<u>13,953</u>
NET ASSETS			<u>7,588</u>		<u>19,188</u>
CAPITAL AND RESERVES					
Called up share capital	10		2,925		2,925
Capital redemption reserve	11		2,549		2,549
Profit and loss account	11		<u>2,114</u>		<u>13,714</u>
TOTAL SHAREHOLDERS' FUNDS	12		<u>7,588</u>		<u>19,188</u>

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



R.I. Jones
 Director

Date: 5 August 2015

The notes on pages 9 to 16 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

1. ACCOUNTING POLICIES

The principal accounting policies, which have been applied consistently throughout the current and prior year, are set out below

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The financial statements have been prepared under the historical cost convention.

1.2 Going concern

The directors have a reasonable expectation, based on current and anticipated future performance that the Company and the Group will continue in operational existence for the foreseeable future. The financial statements have therefore been prepared on a going concern basis.

1.3 Cash flow statement

The Company and the Group, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the BAC group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with Financial Reporting Standard 1 (Revised 1996) - Cash Flow Statements.

1.4 Basis of consolidation

Consolidated financial statements are presented in accordance with the requirements of the Companies Act 2006. The Group financial statements consolidate the assets, liabilities and results of the Company and its subsidiaries. All entities apply uniform accounting policies. Inter-group transactions and balances are eliminated upon consolidation.

The Company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own profit and loss account.

1.5 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

At each reporting date, the Company reviews the carrying amounts of its investments to determine whether there is any indication that those assets have suffered an impairment loss.

If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of the net realisable value and the value in use. In the event of impairment, the carrying amount of the asset is reduced accordingly and the amount of the loss is recognised in the profit and loss account.

1.6 Taxation

Current tax, including UK corporation tax and foreign taxes, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

BANCOSTON CAPITAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

1. ACCOUNTING POLICIES (continued)**1.7 Deferred Tax**

Deferred tax is recognised as a liability or an asset if, prior to the balance sheet date, the Group has entered into transactions or events have occurred that give rise to timing differences giving the Group an obligation to pay more tax in the future or a right to pay less tax in the future. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised only to the extent that they are regarded as recoverable within the Company's planning horizon.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

1.8 Interest receivable and similar income

Interest receivable and similar income are recognised on an accruals basis using the effective interest method.

2. OPERATING (LOSS)/PROFIT

The operating (loss)/profit is stated after charging:

	2014 £000	2013 £000
Write off of debtor balance (note 8)	11,600	-
Auditors' remuneration	-	(17)
Bank charges	<u>-</u>	<u>1</u>

Audit fees are paid by an affiliated company which makes no recharge to the Company. 2013 includes a credit relating to audit remuneration from 2011 and 2012 which will no longer be recharged to the Company.

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	2014 £000	2013 £000
Interest receivable from affiliated companies	<u>-</u>	<u>27</u>

4. STAFF COSTS

The Company and Group have no employees other than the directors, who did not receive any remuneration (2013: £nil) for their services to the Company.

BANCOSTON CAPITAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

5. AUDITORS REMUNERATION

The fee payable to the Company's auditors for the audit of the Company's financial statements amount to £10,300 (2013: £10,000). There were no other non-audit services provided by the Company's auditors in the year (2013: £nil). Audit fees are paid by an affiliated company which makes no recharge to the Group.

6. TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

	2014 £000	2013 £000
UK corporation tax charge on (loss)/profit for the year	-	-

Factors affecting tax charge for the year

The tax assessed for the year is lower (2013: lower) than the standard rate of corporation tax in the UK of 21.49% (2013: 23.25%). The differences are explained below:

	2014 £000	2013 £000
(Loss)/profit on ordinary activities before tax	(11,600)	43
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.49% (2013: 23.25%)	(2,493)	10
Effects of:		
Expenses not deductible for tax purposes	2,493	-
Group relief	-	(22)
Transfer pricing adjustments	-	12
Current tax charge for the year	-	-

Management is of the opinion that it is uncertain that the Company will be able to generate sufficient future taxable income within the period of reliable forecasting to recover the deferred tax asset. The Company has unrecognised deferred tax assets totalling £915,000 (2013: £915,000), primarily in relation to losses.

BANCOSTON CAPITAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

7. INVESTMENTS**Company**

**Investments
in
subsidiary
companies
£000**

Cost

At 1 January 2014 and 31 December 2014

5,235**Net book value**

At 31 December 2014

5,235

At 31 December 2013

5,235**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
Brigibus Limited	Ordinary	100%

The aggregate of the share capital and reserves as at 31 December 2014 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £000	Profit/(loss) £000
Brigibus Limited	<u>5,235</u>	<u>-</u>

Brigibus Limited is a dormant company. The directors believe the carrying value of the investment is supported by their underlying net assets. The subsidiary is incorporated and registered in England and Wales.

BANCOSTON CAPITAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

8. DEBTORS

Group and Company	2014 £000	2013 £000
Amounts owed by affiliated company	<u>7,588</u>	<u>19,188</u>

At 31 December 2014, the Company had an intercompany balance with Bank of America N.A of £7,588,000 (2013: £7,588,000). This loan is interest free, unsecured and without a fixed term of repayment.

Following a review of the Company's debtor position, including an analysis of the aging and likelihood of repayment, £11,600,000 has been written off as irrecoverable.

9. CREDITORS:**Company****Amounts falling due within one year**

	2014 £000	2013 £000
Amounts owed to affiliated company	<u>5,235</u>	<u>5,235</u>

The amount owed to an affiliated company is comprised of a loan taken from Brigibus Limited, which is interest free, unsecured and without a fixed term of repayment.

10. CALLED UP SHARE CAPITAL

	2014 £000	2013 £000
Allotted, called up and fully paid		
2,925,135 Ordinary shares of £1 each	<u>2,925</u>	<u>2,925</u>

BANCOSTON CAPITAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

11. RESERVES**Group and Company**

	Capital redemption reserve £000	Profit and loss account £000
At 1 January 2014	2,549	13,714
(Loss)/profit for the financial year	-	(11,600)
At 31 December 2014	<u>2,549</u>	<u>2,114</u>

Capital redemption reserve

In 1987 the Company purchased 2,549,365 of its own issued ordinary £1 shares for a consideration of £6,373,413. The shares repurchased represented 47% of the called up share capital of the Company. The sum of £2,549,365, an amount equal to the nominal value of the shares repurchased, was transferred to the capital redemption reserve.

12. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**Group and Company**

	2014 £000	2013 £000
Opening shareholders' funds	19,188	19,145
(Loss)/profit for the financial year	<u>(11,600)</u>	<u>43</u>
Closing shareholders' funds	<u>7,588</u>	<u>19,188</u>

BANCBOSTON CAPITAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

13. RISK MANAGEMENT**Legal entity governance**

Legal entity Risk governance is built on the BAC approach to risk management as documented in the BAC Risk Framework. BAC takes a comprehensive approach to risk management, integrating it with strategic, capital and financial operating plans. BAC manages risk systematically, with a focus on BAC as a whole and by business, Governance and Control Functions ("GCFs"), geography, legal entity and / or branch (where appropriate), product, service and transactions.

The risk management approach has five components:

- Risk culture;
- Risk appetite;
- Risk governance;
- Risk reporting; and
- Risk management processes.

The seven key types of risk faced by BAC Businesses as defined in the Risk Framework are market, credit, operational, liquidity, reputational, strategic and compliance risks.

Set out below is a summary of the Company's approach to each of the risk types

Market risk

Market risk is the potential change in an instrument's value caused by fluctuations in interest and currency exchange rates, equity and commodity prices or credit spreads. The level of market risk is influenced by the volatility and liquidity in the markets in which financial instruments are traded.

Credit risk

Credit risk is the potential risk of financial loss arising from the failure of a counterparty to settle its financial and contractual obligations. The directors consider this risk to be minimal, following review undertaken of debtor positions and due to the fact that a portion of this was written off as irrecoverable.

BANCBOSTON CAPITAL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

14. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption from related party disclosures available in Paragraph 3(c) of Financial Reporting Standard 8 - Related Party Disclosures, as both the Company and the related parties are wholly owned subsidiaries of BAC and the consolidated financial statements of the ultimate parent company are publicly available as disclosed in note 15.

There were no related party transactions other than those with group undertakings covered by the exemption noted above.

15. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Company's immediate parent company is Boston Overseas Financial Corporation, a company incorporated in the United States of America ("U.S.A"), and the ultimate parent company and controlling party is BAC, which is organised and existing under the laws of the State of Delaware in the U.S.A.

The parent company of the largest group that includes the Company and for which group financial statements are prepared is BAC. Copies of BAC's consolidated financial statements can be obtained from either of the following website locations: <http://investor.bankofamerica.com> or www.sec.gov/.