

# **BOI G.P. No 1 LIMITED**

**REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**



**BOI G.P. No 1 LIMITED**  
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**BOI G.P. No 1 LIMITED**  
**DIRECTORS AND OTHER INFORMATION**

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**Directors at date of signing**

John-Anthony Greer  
Thomas McAreavey

**Company Secretary**

Hill Wilson Secretarial Limited

**Registered Office**

One Temple Back East  
Temple Quay  
Bristol  
BS1 6DX

**Registered Number**

5324484

**Independent Auditor**

KPMG  
1 Harbourmaster Place  
IFSC  
Dublin 1

## **BOI G.P. No 1 LIMITED**

### **DIRECTORS' REPORT**

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The Directors present their report and the audited financial statements of BOI G.P. No 1 Limited (the “General Partner” or “Company”) for the year ended 31 December 2019. The Company is a private company limited by shares. It is incorporated and domiciled in the United Kingdom (the “UK”).

#### **Principal activities**

The principal activity of the General Partner is to manage the Limited Partnerships in accordance with the Limited Partnership agreements. The General Partner has the full and exclusive authority for the operation of the business of BOI Capital Funding (No. 1) LP, BOI Capital Funding (No. 2) LP, BOI Capital Funding (No. 3) LP and BOI Capital Funding (No. 4) LP (together the “Limited Partnerships”) and shall be responsible for ensuring that, so long as required by applicable law, the relevant functions of the Limited Partnerships are always managed and operated in accordance with the Partnerships (Accounts) Regulations 2008 and the Financial Services and Markets Act 2000.

The Company, a private limited company incorporated under the Companies Act 2006, is a wholly owned subsidiary of Bank of Ireland UK Holdings plc and its ultimate parent is Bank of Ireland Group plc.

#### **Review of business and future developments**

The Company undertook no new activity during the year ended 31 December 2019. Management expects this to remain the case for the foreseeable future.

#### **Results and dividends**

The profit for the year is £2,996 (profit in 2018: £3,058).

The Directors of the Company do not recommend the payment of a dividend (2018: £nil).

#### **Going concern**

The time period that the Directors have considered in evaluating the appropriateness of the going concern basis in preparing the financial statements for the year to 31 December 2019 is a period of twelve months from the date of approval of these financial statements (“the period of assessment”). See page 13 in the accounting policies for the going concern assessment.

#### **Principal risks and uncertainties**

The principal risks and uncertainties arising from the General Partner’s operations are set out below. These risks are monitored and managed under the overall governance framework of the Bank of Ireland Group (the “Group”). Further details are set out below. Copies of the financial statements of the Bank of Ireland Group for the year ended 31 December 2019 may be obtained from the Company Secretary at Bank of Ireland, Head Office, 40 Mespil Road, Dublin 4, Republic of Ireland or [www.bankofireland.com](http://www.bankofireland.com).

# **BOI G.P. No 1 LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

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### **Principal risks and uncertainties (continued)**

#### ***Credit risk***

Credit risk is defined as the risk of loss resulting from a counterparty being unable to meet its contractual obligations to the Company in respect of loans or other financial transactions.

Credit exposure arises from amounts owed by Bank of Ireland Group undertakings.

The senior unsecured credit ratings of the Bank of Ireland are set out as follows:

<b><i>Rating Agency</i></b>	<b>The Governor and Company of the Bank of Ireland</b>	
	<b>2019</b>	<b>2018</b>
Moody's	A2	A3
Standard & Poor's	A-	BBB+

The Company does not have any exposure to credit risk outside of the Bank of Ireland Group.

#### ***Liquidity risk***

Liquidity risk is the risk that the General Partner will experience difficulty in meeting its contractual payment obligations as they fall due.

Under the terms of the Limited Partnership Agreement between the General Partner and the Limited Partnerships, the General Partner is committed to paying all the costs, expenses, debts, liabilities and obligations incurred in the proper operation of the Limited Partnerships. The remaining income in the Limited Partnerships is paid to the General Partner.

The liquidity risk of the General Partner is that the Limited Partnerships do not make sufficient distributions to the General Partner in order to allow it to meet its contractual obligation on the respective payment dates.

The Company has secure funding arrangements in place to ensure it meets its liabilities as they fall due. The Governor and Company of the Bank of Ireland, an intermediate parent undertaking, has confirmed that it will continue to fund and support the Company for a period of thirteen months from the date of approval of these financial statements as set out in the basis of preparation in note 1.

#### ***Market risk***

Market risk is the risk of loss in the General Partner's income or net worth arising from adverse change in exchange rates. Currency risk is the risk that the future cash flows will fluctuate because of changes in market exchange rates.

The currency risk to the Company is the risk that distributions from the Limited Partnerships, when translated to British pounds, do not exceed the payments made by the General Partner.

The functional currency of the Company is British pounds (£).

#### ***Regulatory and compliance risk***

Regulatory and compliance risk is the risk arising from a breach of regulatory or compliance deadlines and requirements. It arises from a failure to comply with the laws, regulations or codes applicable to the financial services industry in the jurisdiction within which the Company operates.

The General Partner manages regulatory and compliance risk under the Group Risk framework which is monitored by the Group Risk Policy Committee, the Group Audit Committee and the Group Regulatory and Conduct Risk Committee, supported by the Group Compliance and Regulatory Risk function.

# **BOI G.P. No 1 LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

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### **Principal risks and uncertainties (continued)**

#### ***Regulatory and compliance risk (continued)***

In addition to the above, the entity is subject to income taxation where the ultimate taxation determination may be uncertain, in particular if taken to litigation, the outcome of which can be unpredictable. The entity recognises provisions for taxation based on estimates of the taxes that are likely to fall due, taking into account statutory, judicial and regulatory guidance and, where appropriate, external advice. There is a risk that the final taxation outcome could be different from the amounts that are currently recorded.

Following the United Kingdom's (the "UK") exit from the EU, ongoing uncertainty relating to the nature of the future trading relationship between the UK and EU could impact the markets in which the Company operates including interest rates and credit demand. The Bank of Ireland Group has a longstanding Brexit programme to identify, monitor and mitigate risks associated with Brexit.

### **Directors**

The Directors who served during the year ended 31 December 2019 and up to the date of signing the financial statements are set out below. Except where indicated, they served as Directors for the entire period.

John-Anthony Greer  
Brian Kealy (resigned 20 November 2019)  
Thomas McAreavey

### **Directors' indemnities**

The Group has put in place Directors' and officers' liability insurance in respect of legal actions against its Directors: this insurance cover does not extend to fraudulent or dishonest behaviour. A qualifying third party indemnity provision was in force covering all Directors in place during the year ended 31 December 2019 for the Company and other companies within the Bank of Ireland Group and this is still in force as at the date of approval of the financial statements.

### **Statement of Directors' responsibilities**

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 FRS 101 Reduced Disclosure Framework.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or cease operations, or have no realistic alternative but to do so.

## **BOI G.P. No 1 LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

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#### **Statement of Directors' responsibilities (continued)**

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

#### **Post balance sheet events**

The outbreak of COVID-19 is a non-adjusting post balance sheet event which will most likely have a substantial negative impact on both global and local economies. Across the Bank of Ireland Group, a proactive response programme has been put in place to continually assess and respond effectively to this evolving situation, adjust operations to maintain business continuity and support the safety and health of both staff and customers. At the date of approval of the financial statements, the overall impact cannot be accurately estimated but an adverse influence on 2020 performance is expected. The Company has taken steps and will be working on a number of initiatives to continue to support its various stakeholders.

#### **Provision of information to the auditor**

Each of the Directors at the time of approving this report confirms the following:

- (a) so far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- (b) each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

#### **Small companies' exemption**

The Company qualifies as a small company in accordance with sections 381-383 of the Companies Act 2006 (the "Act") and the Directors' Report has therefore been prepared taking into consideration the entitlement to small companies exemptions provided in sections 414B (as incorporated to the Act by the Strategic Report and Directors' Report Regulations 2014) of the Act.

#### **Independent auditor**

KPMG has expressed willingness to continue in office in accordance with section 487(2) of the Companies Act 2006.

This report was approved by the Board of Directors on 6 May 2020 and signed on its behalf by:



Thomas McAreavey  
Director  
6 May 2020



**KPMG**  
**Audit**  
1 Harbourmaster Place  
IFSC  
Dublin 1  
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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF BOI G.P. NO 1 LIMITED**

### **Report on the audit of the financial statements**

#### ***Opinion***

We have audited the financial statements of BOI G.P. No 1 Limited ('the Company') for the year ended 31 December 2019, which comprise the Statement of Profit or Loss and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is UK Law and FRS 101 *Reduced Disclosure Framework*.

In our opinion, the accompanying financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with FRS 101 *Reduced Disclosure Framework*; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006.

#### ***Basis for opinion***

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities 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 ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (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.

#### ***We have nothing to report on going concern***

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

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model, including the impact of Brexit, and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the



absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

#### ***Other information***

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the directors' report. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information;

- we have not identified material misstatements in the directors report;
- in our opinion, the information given in the directors' report is consistent with the financial statements;
- in our opinion, the directors' report has been prepared in accordance with the Companies Act 2006.

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

#### **Respective responsibilities and restrictions on use**

##### ***Responsibilities of directors for the financial statements***

As explained more fully in the directors' responsibilities statement set out on pages 5-6, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

##### ***Auditor's responsibilities 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 fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

***The purpose of our audit work and to whom we owe our responsibilities***

Our report is made solely to the Company's member, 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 member 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 member, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink, appearing to read 'N. Marshall'.

6 May 2020

**Niamh Marshall**  
**For and on behalf of**  
**KPMG**  
**Chartered Accountants, Statutory Audit Firm**  
*1 Harbourmaster Place*  
*IFSC*  
*Dublin 1*

**BOI G.P. No 1 LIMITED****STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	Year ended 31 December 2019 £	Year ended 31 December 2018 £
Expense relating to participating interests	4	-	(3)
Gross loss		-	(3)
Interest receivable and similar income	5	3,697	3,700
Net impairment gains on financial instruments	6	-	78
<b>Profit before taxation</b>	7	<b>3,697</b>	<b>3,775</b>
Taxation	9	(701)	(717)
<b>Profit for the year</b>		<b>2,996</b>	<b>3,058</b>
<b>Total comprehensive income for the year</b>		<b>2,996</b>	<b>3,058</b>

The notes on pages 13 to 24 form an integral part of these financial statements.

**BOI G.P. No 1 LIMITED**  
**BALANCE SHEET AS AT 31 DECEMBER 2019**

	Note	31 December 2019 £	31 December 2018 £
<b>Fixed assets</b>			
Participating interests	10	28,153	28,153
<b>Other non-current assets</b>			
Deferred tax asset	11	21	24
<b>Total non-current assets</b>		<u>28,174</u>	<u>28,177</u>
<b>Current assets</b>			
Debtors	12	252,558	248,861
Cash at bank and in hand	14	739,425	739,425
<b>Total current assets</b>		<u>991,983</u>	<u>988,286</u>
<b>Total assets</b>		<b>1,020,157</b>	<b>1,016,463</b>
<b>Creditors: amounts falling due within one year</b>	15	(182,978)	(182,280)
<b>Total assets less current liabilities</b>		<u><b>837,179</b></u>	<u><b>834,183</b></u>
<b>Capital and reserves</b>			
Called up share capital	16	1	1
Profit and loss account		837,178	834,182
<b>Total shareholder's funds</b>		<u><b>837,179</b></u>	<u><b>834,183</b></u>

The notes on pages 13 to 24 form an integral part of these financial statements.

The financial statements on pages 10 to 24 were approved by the Board of Directors on 6 May 2020 and signed on its behalf by:



Thomas McAreavey  
Director  
6 May 2020

**BOI G.P. No 1 LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total shareholder's funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>At 1 January 2018</b>	<b>1</b>	<b>831,124</b>	<b>831,125</b>
Profit and total comprehensive income for the year	-	3,058	3,058
<b>At 31 December 2018</b>	<b>1</b>	<b>834,182</b>	<b>834,183</b>
<b>Balance at 1 January 2019</b>			
Profit and total comprehensive income for the year	-	2,996	2,996
<b>At 31 December 2019</b>	<b>1</b>	<b>837,178</b>	<b>837,179</b>

The notes on pages 13 to 24 form an integral part of these financial statements.

# **BOI G.P. No 1 LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

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### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **1.1 Basis of preparation**

The financial statements comprise the statement of profit or loss and other comprehensive income, the balance sheet, the statement of changes in equity and the notes to the financial statements.

The financial statements of BOI G.P. No 1 Limited (the “Company”) have been prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* (“FRS 101”). The financial statements have been prepared on the going concern basis under the historical cost convention, and in accordance with the Companies Act 2006 as applicable to companies using FRS 101. In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU (“Adopted IFRSs”), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The financial statements are presented in British pounds (£) which is the functional and presentational currency of the Company, except where otherwise indicated.

The preparation of financial statements in conformity with FRS 101 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. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are set out in note 2.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a cash flow statement and related notes;
- comparative period reconciliations for share capital;
- disclosures in respect of transactions with wholly owned subsidiaries of the Bank of Ireland Group;
- disclosures required by IFRS 13 Fair Valuation Measurement for non-financial assets only;
- the effects of new but not yet effective IFRSs; and
- disclosures in respect of the compensation of key management personnel.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

#### **1.2 Adoption of new accounting standards**

No new standards, amendments or interpretations, effective for the first time for the year beginning 1 January 2019 have had a material impact on the Company.

#### **1.3 Going Concern**

The Governor and Company of the Bank of Ireland (an intermediate parent of the Company) has confirmed that it will continue to fund and support the Company for a period of thirteen months from the date of approval of the financial statements by the Directors. The Directors are therefore satisfied that the General Partner has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis in preparing these financial statements.

#### **1.4 Interest receivable and similar income**

Interest income and expense are recognised in the income statement using the effective interest method for financial instruments measured at amortised cost, in accordance with IFRS 9.

#### **1.5 Interests in partnerships**

Interests in the BOI Capital Funding (No. 1) LP, BOI Capital Funding (No. 2) LP, BOI Capital Funding (No. 3) LP and BOI Capital Funding (No. 4) LP (together the “Limited Partnerships”) are recorded at cost.

**BOI G.P. No 1 LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**1.6 Taxation**

Corporation tax payable on profits, based on the applicable tax law, is recognised as an expense in the year in which profits arise.

**1.7 Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into British pounds (£) using the rate of exchange at the balance sheet date and the gains and losses on translation are included in the statement of profit and loss account and other comprehensive income. Income and expenses denominated in foreign currencies are translated into British pounds (£) using the rate of exchange ruling at the date of the transaction.

**1.8 Financial assets**

**A. Recognition, classification and measurement**

The Company applies the following accounting policies to the classification, recognition and measurement policies relating to financial assets.

A financial asset is recognised in the balance sheet when the Company becomes a party to its contractual provisions. At initial recognition, a financial asset is measured at fair value (plus, in the case of a financial asset not at fair value through profit or loss, directly attributable transaction costs) and is assigned one of the following classifications for the purposes of subsequent measurement:

- financial assets at amortised cost;
- financial assets at fair value through other comprehensive income; or
- financial assets at fair value through profit or loss.

The Company determines the appropriate classification based on the contractual cash flow characteristics of the financial asset and the objective of the business model within which the financial asset is held. In determining the business model for a group of financial assets, the Company considers factors such as how performance is evaluated and reported to key management personnel; the risks that affect performance and how they are managed; how managers are compensated; and the expected frequency, value and timing of sales of financial assets.

In considering the contractual cash flow characteristics of a financial asset, the Company determines whether the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. In this context, 'principal' is the fair value of the financial asset on initial recognition and 'interest' is consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin. In making the determination, the Company assesses whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers contingent events, leverage features, prepayment and term extensions, terms which limit the Company's recourse to specific assets and features that modify consideration of the time value of money.

**BOI G.P. No 1 LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**1.8 Financial assets (continued)**

**A. Recognition, classification and measurement (continued)**

**Financial assets at amortised cost**

*Debt instruments*

A debt instrument is measured, subsequent to initial recognition, at amortised cost where it meets both of the following conditions and has not been designated as measured at fair value through profit or loss:

- the financial asset has contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; and
- the financial asset is held within a business model whose objective is achieved by holding financial assets to collect contractual cash flows.

Loans measured at amortised cost are recognised when cash is advanced to the borrowers. Interest revenue using the effective interest method is recognised in the income statement. An impairment loss allowance is recognised for expected credit losses with corresponding impairment gains or losses recognised in the income statement.

The Company has no financial assets at fair value through other comprehensive income or fair value through profit or loss.

**B. Reclassification**

When the Company changes its business model for managing financial assets, it reclassifies all affected financial assets. Reclassification is applied prospectively from the reclassification date, which is the first day of the first reporting period following the change in business model that results in the reclassification. Any previously recognised gains, losses or interest are not restated.

**C. Derecognition**

A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or the Company has transferred substantially all the risks and rewards of ownership. Where a modification results in a substantial change to the contractual cash flows of a financial asset, it may be considered to represent expiry of the contractual cash flows, resulting in derecognition of the original financial asset and recognition of a new financial asset at fair value. The Company reduces the gross carrying amount of a financial asset and the associated impairment loss allowance when it has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

**1.9 Impairment of financial instruments**

**Assets carried at amortised cost**

**Scope**

The Company recognises impairment loss allowances for expected credit losses (ECL) on financial assets that are debt instruments unless measured at fair value through profit or loss.

**BOI G.P. No 1 LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**1.9 Impairment of financial instruments (continued)**

**Basis for measuring impairment**

The Company allocates financial instruments into the following categories at each reporting date to determine the appropriate accounting treatment.

*Stage 1: 12-month ECL (not credit-impaired)*

These are financial instruments where there has not been a significant increase in credit risk since initial recognition. An impairment loss allowance equal to 12-month ECL is recognised. This is the portion of lifetime ECL resulting from default events that are possible within the next 12 months.

*Stage 2: Lifetime ECL (not credit-impaired)*

These are financial instruments where there has been a significant increase in credit risk since initial recognition but which are not credit-impaired. An impairment loss allowance equal to lifetime ECL is recognised. Lifetime ECL are the ECL resulting from all possible default events over the expected life of the financial instrument.

*Stage 3: Lifetime ECL (credit-impaired)*

These are financial instruments which are credit-impaired at the reporting date but were not credit-impaired at initial recognition. An impairment loss allowance equal to lifetime ECL is recognised.

*Purchased or originated credit-impaired financial assets*

These are financial assets that were credit-impaired at initial recognition. They are not subject to any initial impairment loss allowance but an impairment loss allowance is subsequently recognised for the cumulative changes in lifetime ECL since initial recognition. A purchased or originated credit-impaired financial asset remains classified as such until it is derecognised, even if assessed as no longer credit-impaired at a subsequent reporting date.

With the exception of purchased or originated credit-impaired financial assets, a financial instrument may migrate between stages from one reporting date to the next.

**Significant increase in credit risk**

In determining if a financial instrument has experienced a significant increase in credit risk since initial recognition, the Company assesses whether the risk of default over the remaining expected life of the financial instrument is significantly higher than had been anticipated at initial recognition, taking into account changes in prepayment expectations where relevant. The Company uses reasonable and supportable information available without undue cost or effort at the reporting date, including forward-looking information. A combination of quantitative, qualitative and backstop indicators are generally applied in making the determination. For certain financial assets, the Company assumes that no significant increase in credit risk has occurred if credit risk is 'low' at the reporting date.

**BOI G.P. No 1 LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**1.9 Impairment of financial instruments (continued)**

**Credit-impaired**

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event, instead, the combined effect of several events may have caused financial assets to become credit-impaired.

**Measurement of ECL and presentation of impairment loss allowances**

ECL are measured in a way that reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions

ECL are measured as follows:

- financial assets that are not credit-impaired at the reporting date: the present value of the difference between all contractual cash flows due to the Company in accordance with the contract and all the cash flows the Company expects to receive;
- financial assets that are credit-impaired at the reporting date: the difference between the gross carrying amount and the present value of estimated future cash flows.

For financial assets, the discount rate used in measuring ECL is the effective interest rate (or 'credit-adjusted effective interest rate' for a purchased or originated credit-impaired financial asset) or an approximation thereof.

Impairment loss allowances for ECL are presented in the financial statements for financial assets at amortised cost as a deduction from the gross carrying amount in the balance sheet.

**Utilisation of impairment loss allowances**

The Company reduces the gross carrying amount of a financial asset and the associated impairment loss allowance when it has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. Indicators that there is no reasonable expectation of recovery include the collection process having been exhausted or it becoming clear during the collection process that recovery will fall short of the amount due to the Company.

The Company considers, on a case-by-case basis, whether enforcement action in respect of an amount that has been written off from an accounting perspective is or remains appropriate. Any subsequent recoveries are included in the income statement as an impairment gain.

**BOI G.P. No 1 LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**1.10 Financial liabilities**

Under IFRS 9, the Company has only one category of financial liability: those that are carried at amortised cost. Financial liabilities are initially recognised at fair value (normally the issue proceeds i.e. the fair value of the consideration received) less transaction costs. Any difference between the proceeds, net of transaction costs, and the redemption value is recognised in the income statement using the effective interest method.

Financial liabilities are derecognised when they are extinguished, that is, when the obligation is discharged, cancelled or expires.

**1.11 Valuation of financial instruments**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Company has access at that date.

The fair values of financial assets and liabilities traded in active markets are based on unadjusted bid and offer prices respectively. If an active market does not exist, the Company establishes fair value using valuation techniques. These include the use of recent arm's length transactions, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants. To the extent where possible, these validation techniques use observable market data. Where observable data does not exist, the Company uses estimates based on the best information available.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price, in an arm's length transaction, unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique which uses only observable market inputs. When such evidence exists, the initial valuation of the instrument may result in the Company recognising a profit on initial recognition. In the absence of such evidence, the instrument is initially valued at the transaction price. Any day one profit is deferred and recognised in the income statement to the extent that it arises from a change in a factor that market participants would consider in setting a price. Straight line amortisation is used where it approximates to that amount.

Subsequent changes in fair value are recognised immediately in the income statement without the reversal of deferred day one profits or losses. Where a transaction price in an arm's length transaction is not available, the fair value of the instrument at initial recognition is measured using a valuation technique.

**1.12 Liability arising out of contractual obligations**

All contractual obligations of the General Partner (including those relating to the Limited Partnerships) are recorded as a liability in full when the obligation arises.

**1.13 Segment reporting**

The Directors consider that the General Partner has only one geographical and one business segment (United Kingdom) and therefore is not required to produce additional segmental disclosures.

**BOI G.P. No 1 LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**2. CRITICAL ACCOUNTING ESTIMATES**

In preparing the financial statements, the Company makes estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. As management judgement involves an estimate of the likelihood of future events, actual results could differ from those estimates, which could affect the future reported amounts of assets and liabilities. The estimates and judgements that have had the most significant effect on the amounts recognised in the Company's financial statements are set out below.

**Taxation**

Significant judgment can be required in determining the provision for taxation. There are many calculations for which the ultimate taxation determination may be uncertain in particular in light of HMRC focus on the Group's industry and an increased risk of litigation, the outcome of which can be unpredictable. The Company recognises provisions for taxation based on estimates of the taxes that are likely to become due. There is a risk that the final taxation outcome could be significantly different from the amounts that are currently recorded and any such differences will impact the current income taxation and deferred taxation provisions in the period in which such outcome is determined.

**3. FORMATION**

The General Partner was formed on 5 January 2005.

**4. EXPENSE RELATING TO PARTICIPATING INTERESTS**

	Year ended 31 December 2019 £	Year ended 31 December 2018 £
Payable to the Limited Partnership	-	(3)
	<u>-</u>	<u>(3)</u>

Under the terms of the Limited Partnership Agreements for the Limited Partnerships, the Limited Partnerships distribute the remaining surplus, income or deficit, to the General Partner.

Under the terms of the Limited Partnership Agreements for the Limited Partnership, the General Partner commits to paying all costs, expenses, debts, liabilities and obligations incurred in the proper operation of the Limited Partnerships.

**5. INTEREST RECEIVABLE AND SIMILAR INCOME**

	Year ended 31 December 2019 £	Year ended 31 December 2018 £
Interest on bank deposit	3,697	3,700
	<u>3,697</u>	<u>3,700</u>

**BOI G.P. No 1 LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**6. NET IMPAIRMENT GAINS ON FINANCIAL INSTRUMENTS**

	Year ended 31 December 2019	Year ended 31 December 2018
	£	£
Debtors (note 12)	-	19
Cash at bank and in hand (note 14)	-	59
	<u>-</u>	<u>78</u>

**7. PROFIT BEFORE TAXATION**

Auditor's remuneration relates to the statutory audit of the General Partner. Audit fees of £5,135 for the year ended 31 December 2019 are borne by The Governor and Company of the Bank of Ireland (2018: £5,135). The Company did not incur any fees relating to non-audit services during the year (31 December 2018: £nil).

**8. PARTNERS AND EMPLOYEES**

The Limited Partnerships are administered by the General Partner who bears all costs associated with the Partnership. There are no employees of either the Partnerships or the General Partner and the Directors of the General Partner received no remuneration in respect of their services. There was no compensation to Directors for loss of office during the year. The Directors and staff who support the General Partner and the Partnerships are employees of the Bank of Ireland Group.

All Directors are Directors of a number of subsidiaries of Bank of Ireland Group and it is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries. Accordingly no Directors' emoluments have been separately disclosed for any of the Directors in these financial statements.

**9. TAXATION**

	Year ended 31 December 2019	Year ended 31 December 2018
	£	£
Current tax charge	698	714
Deferred tax charge	3	3
<b>Total taxation charge</b>	<u>701</u>	<u>717</u>

The reconciliation of tax on the profit on ordinary activities before taxation at the standard UK corporation tax rate to the Company's actual tax charge for the year ended 31 December 2019 and 31 December 2018 is as follows:

	Year ended 31 December 2019	Year ended 31 December 2018
	£	£
Profit before taxation	<u>3,697</u>	<u>3,775</u>
Profit on ordinary activities multiplied by the standard rate in the UK of 19.00% (2018: 19.00%)	701	717
<b>Taxation charge</b>	<u>701</u>	<u>717</u>

**BOI G.P. No 1 LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**10. PARTICIPATING INTERESTS**

The participating interests represent investments in the Limited Partnerships as follows:

	<b>31 December 2019</b>	<b>31 December 2018</b>
	<b>£</b>	<b>£</b>
Interest in BOI Capital Funding (No. 1) LP	6,965	6,965
Interest in BOI Capital Funding (No. 2) LP	5,594	5,594
Interest in BOI Capital Funding (No. 3) LP	5,594	5,594
Interest in BOI Capital Funding (No. 4) LP	10,000	10,000
<b>Total</b>	<b>28,153</b>	<b>28,153</b>

The principal place of business for the above Limited Partnerships is One Temple Back East, Temple Quay, Bristol, BS1 6DX. The investments in the Limited Partnerships relate to 99.99% ownership of the underlying members' capital.

The Directors consider the value of the investments to be supported by their underlying assets. The Company's investments are reviewed if events or circumstances indicate that impairment may have occurred by comparing the carrying value of each investment to its recoverable amount. An impairment charge arises if the carrying value exceeds the recoverable amount. No impairment was identified in the year ended 31 December 2019 or the year ended 31 December 2018.

The Limited Partnerships are funding vehicles for the Bank of Ireland Group. The General Partner has taken the exemption under section 400 of the Companies Act 2006 from the obligation to prepare and deliver consolidated financial statements. For further detail refer to note 18.

The Company avails of the exemption provided under Regulation 7 of The Partnerships (Accounts) Regulations 2008. Under this exemption, the financial statements of the Limited Partnerships which the Company manages are not required to be filed as appended to these annual financial statements as the Limited Partnerships are consolidated within the financial statements of the intermediate parent entity, The Governor and Company of the Bank of Ireland.

**11. DEFERRED TAX ASSET**

	<b>31 December 2019</b>	<b>31 December 2018</b>
	<b>£</b>	<b>£</b>
Opening deferred tax asset	24	27
Income statement charge	(3)	(3)
<b>Closing deferred tax asset</b>	<b>21</b>	<b>24</b>

The deferred tax asset has been recognised on the basis that it is probable, it will be recovered as the Directors are satisfied that it is probable that the Company will have sufficient future taxable profits against which the deferred tax asset can be utilised.

The closing deferred tax balance relates to the tax impact of IFRS 9 transitional adjustments which are being released to the income statement over 10 years.

The applicable tax rate for the current year is 19% (2018: 19%). A reduction to the corporation tax rate to 17% (effective from 1 April 2020) was substantively enacted in September 2016. However, the UK Budget of 11 March 2020 announced that the UK tax rate will remain at the current 19% and not reduce to 17% from 1 April 2020. The deferred tax asset at 31 December 2019 has been calculated based on the rate of 17% which was substantively enacted at the balance sheet date and the impact of any rate change is immaterial.

**BOI G.P. No 1 LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**12. DEBTORS**

	31 December 2019	31 December 2018
	£	£
Amounts owed by BOI UK Holdings Plc	240,985	240,985
Bank interest accrued	11,573	7,876
<b>Total debtors (note 13)</b>	<b>252,558</b>	<b>248,861</b>

All balances are due from Group companies, are interest free and repayable on demand.

**13. AMOUNTS DUE FROM GROUP COMPANIES**

	31 December 2019	31 December 2018
	£	£
Amounts due from Group companies	252,577	248,880
Less: impairment loss allowance	(19)	(19)
<b>Total amounts due from Group companies</b>	<b>252,558</b>	<b>248,861</b>

Amounts due from Group companies are classified and measured at amortised cost. The impairment loss allowance on amounts due from Group companies is calculated using a 12 month or lifetime expected credit loss approach.

The following tables show the movement in both the gross carrying amount and impairment loss allowance subject to 12 month Expected Credit Losses (ECL) on amounts due from Group companies at amortised cost for the year ended 31 December 2019. The amounts due are deemed to be Stage 1 for ECL measurement purposes.

<b>Gross carrying amount at amortised cost (before impairment loss allowance)</b>	<b>31 December 2019</b>	<b>31 December 2018</b>
	£	£
Opening balance	248,880	245,180
Net changes in exposure	3,697	3,700
<b>Gross carrying amount</b>	<b>252,577</b>	<b>248,880</b>

  

<b>Impairment loss allowance</b>	<b>31 December 2019</b>	<b>31 December 2018</b>
	£	£
Opening balance	(19)	(38)
<i>Net impairment gains in statement of comprehensive income:</i>		
- Net changes in exposure	-	19
<b>Impairment loss allowance</b>	<b>(19)</b>	<b>(19)</b>

**14. CASH AT BANK AND IN HAND**

	31 December 2019	31 December 2018
	£	£
Cash at bank and in hand	739,480	739,480
Less: impairment loss allowance	(55)	(55)
<b>Total cash at bank and in hand</b>	<b>739,425</b>	<b>739,425</b>

The cash at bank balance is deposited with Bank of Ireland on demand and earns interest at market rates.

**BOI G.P. No 1 LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**14. CASH AT BANK AND IN HAND (CONTINUED)**

The following table shows the movement in the gross carrying amount subject to 12 month Expected Credit Losses (ECL) on cash at bank and in hand at amortised cost for the year ended 31 December 2019. The amounts due are deemed to be Stage 1 for ECL measurement purposes.

	31 December 2019	31 December 2018
	£	£
<b>Gross carrying amount at amortised cost (before impairment loss allowance)</b>		
Closing balance	739,480	739,545
- Net changes in exposure	-	(65)
<b>Gross carrying amount</b>	<b>739,480</b>	<b>739,480</b>
	31 December 2019	31 December 2018
	£	£
<b>Impairment loss allowance</b>		
Opening balance	(55)	(114)
<i>Net impairment gains in statement of comprehensive income:</i>		
- Net changes in exposure	-	59
<b>Impairment loss allowance</b>	<b>(55)</b>	<b>(55)</b>

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31 December 2019	31 December 2018
	£	£
Amounts owed to intermediate parent company - The Governor and Company of the Bank of Ireland	181,563	181,563
Amounts owed to the Limited Partnerships	3	3
Corporation tax	1,412	714
	<b>182,978</b>	<b>182,280</b>

All balances are interest free and repayable on demand.

**16. CALLED UP SHARE CAPITAL**

	31 December 2019	31 December 2018
	£	£
<b>Allotted and fully paid</b>		
1 ordinary share of £1 (2018: £1)	<b>1</b>	<b>1</b>

**17. CONTROLLING PARTIES**

The intermediate parent undertaking of the General Partner is Bank of Ireland UK Holdings plc, a company registered in Northern Ireland.

The smallest group which the Company is a member and for which group financial statements are prepared is The Governor and Company of the Bank of Ireland.

Copies of the consolidated financial statements of The Governor and Company of the Bank of Ireland for the year ended 31 December 2019 may be obtained from the Group Secretary, Bank of Ireland, 40 Mespil Road, Dublin 4, Republic of Ireland.

The ultimate parent undertaking and controlling party of the Company is Bank of Ireland Group plc.

## **BOI G.P. No 1 LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

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#### **17. CONTROLLING PARTIES (CONTINUED)**

The largest group of which the Company is a member and for which group financial statements are prepared is Bank of Ireland Group plc, a company incorporated and registered in the Republic of Ireland. Copies of the financial statements of Bank of Ireland plc for the year ended 31 December 2019 may be obtained from the Group Secretary, Bank of Ireland, 40 Mespil Road, Dublin 4, Republic of Ireland.

#### **18. GROUP FINANCIAL STATEMENTS**

The General Partner has taken account of the exemption under section 400 of the Companies Act 2006 from the obligation to prepare and deliver consolidated financial statements, as the ultimate parent company prepares consolidated financial statements.

#### **19. RELATED PARTY TRANSACTIONS**

The Company has availed of the FRS 101 exemption relating to the disclosure of transactions with other wholly owned subsidiaries of the Bank of Ireland Group. There are no other transactions with related parties.

#### **20. POST BALANCE SHEET EVENTS**

The outbreak of COVID-19 is a non-adjusting post balance sheet event which will most likely have a substantial negative impact on both global and local economies. Across the Bank of Ireland Group, a proactive response programme has been put in place to continually assess and respond effectively to this evolving situation, adjust operations to maintain business continuity and support the safety and health of both staff and customers. At the date of approval of the financial statements, the overall impact cannot be accurately estimated but an adverse influence on 2020 performance is expected. The Company has taken steps and will be working on a number of initiatives to continue to support its various stakeholders.

#### **21. APPROVAL OF FINANCIAL STATEMENTS**

The Board of Directors approved the financial statements on 6 May 2020.