MIDTOWN HOLDINGS LIMITED

DIRECTORS' REPORT AND ANNUAL FINANCIAL STATEMENTS
For the year ended 31 December 2014
Registered in Scotland: SC041926

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DIRECTORS AND OTHER INFORMATION

DIRECTORS

C. A. Jennings
H. A. O'Donnell
G. M. O'Keeffe

REGISTERED OFFICE

19 Charlotte Square
Edinburgh
Scotland
EH2 4DE

REGISTERED NUMBER

SC041926

SECRETARY

C. Gilhooley

REGISTERED AUDITOR

Deloitte
Chartered Accountants and Statutory Audit Firm
Hardwicke House
Hatch Street
Dublin 2
Republic of Ireland

BANKERS

West London Business Centre
Ealing Cross
85 Uxbridge Road
Ealing
W5 5TH

DIRECTORS' REPORT

The Directors present herewith their report and audited financial statements for the year ended 31 December 2014. A statement of Directors' responsibilities in relation to the financial statements appears on page 6.

The directors who held office at the date of approval of this report confirm that so far as they are each aware there is no relevant audit information of which the Company's auditor is unaware and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

GOING CONCERN

The financial statements for the year ended 31 December 2014 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 financial statements. The Company is dependent on the support of its fellow subsidiary, AIB Group (UK) p.l.c. and its ultimate parent, Allied Irish Banks, p.l.c., (a company incorporated in the Republic of Ireland), for continued funding and is therefore dependent on the going concern of the parent.

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 the Group.

The Group financial statements for the year ended 31 December 2014 were prepared on a going concern basis.

CONCLUSION

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

DIRECTORS

The following Directors served during the year:
C. A. Jennings
H. A. O'Donnell
G. M. O'Keeffe

SECRETARY

C. Gilhooley

On 24 September 2014 T. Peck resigned as Company Secretary on the same day C. Gilhooley was appointed as Company Secretary.

DIRECTORS' LOANS

None of the Directors' received any loans from the Company.

DIRECTORS INDEMNITIES

The Company has not made qualifying third party indemnity provisions for the benefit of its directors.

DONATIONS

During the year the Company made no political donations or donations to charities (2013: nil).

BOOKS OF ACCOUNT

The directors believe that they have complied with the requirements of the Companies Act 2006 with regard to books of account by allocating personnel with appropriate expertise and by providing adequate resources to the financial function. The books of account of the Company are maintained at AIB, Bankcentre, Ballsbridge, Dublin 4, Republic of Ireland. The Company Officers have made sufficient arrangements to ensure compliance with Section 388 of the Companies Act 2006.

DIRECTORS' REPORT (continued)

DISCLOSURE OF INFORMATION TO AUDITORS

The directors who held office at the date of approval of this report confirm that so far as they are each aware there is no relevant audit information of which the Company's auditor is unaware and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

INDEPENDENT AUDITOR

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

By order of the Board

C.N. Gilhooley
Secretary

22nd September 2015

STRATEGIC REPORT

PRINCIPAL ACTIVITIES

The Company previously carried out the activities of a property holding company. As the Company's last property lease was surrendered in December 2013, the purpose and future activity of the Company is currently under review.

The Company is part of the Allied Irish Banks p.l.c. Group ("the Group") and receives ongoing resources which enable the Company to meet its obligations as they fall due. The directors do not anticipate any material change in the type or level of activities of the Company for the foreseeable future.

BUSINESS REVIEW

The loss after taxation for the year ended 31 December 2014 was £21,144 (2013: loss after taxation £549,363). No dividend was paid during the year (2013: £nil).

The Company's statement of financial position shows negative net equity at 31 December 2014 of £385,886 (2013: negative net equity £364,742).

STRATEGY AND OUTLOOK

The directors consider the present level of activity to be satisfactory and expect that the level of the Company's activities will continue in the 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 11 to the financial statements.

CAPITAL MANAGEMENT

The Company is dependent on the immediate parent company, AIB UK Group, for its capital and funding.

POLITICAL AND CHARITABLE DONATIONS

The Company made no political or charitable contributions during the year (2013: £nil).

POST BALANCE SHEET EVENTS

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:

Director
H. A. O'Donnell

22nd September 2015

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The following statement, which should be read in conjunction with the statement of Auditors' responsibilities set out with their Audit Report is made with a view to distinguish for shareholders the respective responsibilities of the Directors and of the Auditor in relation to the accounts.

The Directors are responsible for preparing the financial statements, in accordance with applicable law and regulations. Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with IFRSs as adopted by the EU and as applied in accordance with the provisions of the Companies Act 2006.

The financial statements are required by law and IFRSs as adopted by the EU to present fairly the financial position and performance of the company; the Companies Act 2006 provide in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.
In preparing each of the 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 that the financial statements comply with IFRS as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are also responsible for taking such steps as are reasonably open to them to safeguard the assets of Company and to prevent and detect fraud and other irregularities.

The Directors that are listed on page 2 confirm, to the best of their knowledge and belief, that the financial statements, prepared in accordance with IFRS as adopted by the EU, give a true and fair view, in accordance with IFRSs as adopted by the EU, of the state of the company's affairs as at 31 December 2014 and of its result for the year then ended.

On behalf of the board

Director
G O'Keeffe
22nd September 2015

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MIDTOWN HOLDINGS LIMITED

We have audited the financial statements of Midtown Holdings Limited for the year ended 31 December 2014 which comprise the income statement, the statement of comprehensive income, the statement of financial position, the statement of cashflows, the statement of changes in shareholders' equity, and the related notes. 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.

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.

Respective responsibilities of directors and auditor

As explained more fully in the statement of directors' responsibilities, 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 International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MIDTOWN HOLDINGS LIMITED

Opinion on other matters 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us 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.

Gerard Fitzpatrick (Senior Statutory Auditor)
For and on behalf of Deloitte
Chartered Accountants and Statutory Audit Firm
Hardwicke House
Hatch Street
Dublin 2
Republic of Ireland

22 / 9 **2015**

ACCOUNTING POLICIES

The accounting policies that the Company applied in the preparation of the financial statements for the year ended 31 December 2014 are set out below.

REPORTING ENTITY

Midtown Holdings Limited is a company domiciled in Scotland. The address of the Company's registered office is 19 Charlotte Square, Edinburgh, Scotland, EH2 4DE.

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 Standards Board ("IASB") and International Financial Reporting Standards as adopted by the European Union ("EU") and applicable for the year ended 31 December 2014. The financial statements also comply with the Companies Act, 2006. The accounting policies have been consistently applied by the Company and are consistent with the previous year, unless otherwise described.

BASIS OF PREPARATION

Functional and presentation currency

The financial statements are presented in sterling, which is the functional currency of the company, rounded to the nearest pound.

Accounting estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of certain assets, liabilities, revenues and expenses, and disclosure 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. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

BASIS OF MEASUREMENT

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

Going Concern

The financial statements for the year ended 31 December 2014 have been prepared on a going concern basis as the Directors are satisfied, having considered the risks and uncertainties impacting the Group, 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 financial statements.

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 the Group.

The Company financial statements for the year ended 31 December 2014 were prepared on a going concern basis.

Conclusion

The Directors of the Group 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 at this time.

Adoption of new accounting standards

The following amendments to standards were adopted during the year ended 31 December 2014 but did not have any impact on the accounting policies, financial positioning or performance of the company:

Amendments to standards adopted during the year

The following standards/amendments to standards have been adopted by the company during the year ended 31 December 2014.

ACCOUNTING POLICIES (continued)

Adoption of new accounting standards (continued)
Amendments to IAS 32 Financial Instruments: Presentation on Offsetting Financial Assets and Financial Liabilities
These amendments are effective from 1 January 2014. The amendments clarify that the right of set-off must be currently available and legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The adoption of these amendments did not have a significant impact on the presentation of the financial position of the company.

Amendments to IAS 36 Impairment of Assets on Recoverable Amount Disclosures for Non-Financial Assets
These amendments, which are effective from 1 January 2014, clarify that the scope of the disclosures about the recoverable amount of impaired assets is limited to those that are based on fair value less costs of disposal. The amendments require an entity to disclose:

- the level of the fair value hierarchy within which the fair value of the asset is categorised;
- a description of the valuation technique(s) used to measure the fair value less costs of disposal, where the fair value measurement is categorised within Level 2 or Level 3 of the fair value hierarchy;
- the key assumptions which management has based its determination of fair value less costs of disposal, where the fair value measurement is categorised within Level 2 or Level 3 of the fair value hierarchy; and – the discount rates used to determine current and previous impairments where the recoverable amount of impaired assets, based on fair value less costs of disposal, was measured using a present value technique. The adoption of these amendments will impact the disclosures required for the recoverable amount of impaired non-financial assets where this is based on fair value less costs of disposal.

Other amendments, resulting from Annual Improvements to IFRSs issued by the IASB which the company adopted in 2014, did not have any impact on the accounting policies, financial position or performance of the company.

CASH AND CASH EQUIVALENTS
For the purposes of the cash flow statement, cash comprises of cash on hand and demand deposits, and cash equivalents comprise highly liquid investments that are convertible into cash with an insignificant risk of changes in value and with original maturities of less than three months.

INTEREST INCOME AND EXPENSE RECOGNITION
Interest income and expense is recognised in the income statement for all interest-bearing financial instruments using the effective interest method.

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

In calculating the effective interest rate, the Company estimates cash flows (using projections based on its experience of customers' behaviour) considering all contractual terms of the financial instrument but excluding future credit losses. The calculation takes into account all fees, including those for any expected early redemption, and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts.

FEE AND COMMISSION INCOME
Fees and commissions are generally recognised on an accruals basis when the service has been provided, unless they have been included in the effective interest rate calculation.

FINANCIAL ASSETS AND LIABILITIES
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market and which are not classified as available for sale. They arise when the Bank provides money or services directly to a customer with no intention of trading the loan. Loans are recognised when cash is advanced to the borrowers. Financial assets are initially recognised at fair value and are subsequently carried on an amortised cost basis. Amounts due from Group undertakings are classified as loans and receivables.

Financial assets are derecognised when rights to receive cash flows from financial assets have expired or when the Bank has transferred substantially all the risks and rewards of ownership.

Financial instruments and their components are classified as liabilities where the substance of the contractual agreement results in the Company having a present obligation to either deliver cash or another financial asset to the holder or to exchange financial instruments on terms that are potentially unfavourable or to satisfy the obligation otherwise than by the exchange of a fixed amount of cash or another financial asset for a fixed number of equity shares.

ACCOUNTING POLICIES (continued)

FINANCIAL ASSETS AND LIABILITIES (continued)

Financial liabilities are initially recognised at fair value, being the issue proceeds (fair value of consideration received) net of transaction costs incurred. Financial liabilities are subsequently measured at amortised cost, any difference between the proceeds net of transaction costs and the redemption value is recognised in the income statement using the effective interest rate method. The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired. Any gain or loss on the extinguishment or remeasurement of a financial liability is recognised in profit or loss. Amounts due to Group undertakings are classified as financial liabilities.

INCOME TAX, INCLUDING DEFERRED INCOME TAX

Income tax comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised 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 substantively enacted at the reporting date and any adjustment to tax payable in respect of previous years.

Deferred income tax is provided, using the financial statement liability method, on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax is determined using tax rates based on legislation enacted or substantively enacted at the reporting date and expected to apply when the deferred tax asset is realised or the deferred tax liability is settled. Deferred income tax assets are recognised when it is probable that future taxable profits will be available against which the temporary differences will be utilised. The deferred tax asset is reviewed at the end of each reporting period and the carrying amount is reduced to the extent that sufficient taxable profits will be available to allow all of the asset to be recovered.

The tax effects of income tax losses available for carry forward are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised.

Deferred and current tax assets and liabilities are only offset when they arise in the same tax reporting group and where.there is both the legal right and the intention to settle the current tax assets and liabilities on a net basis or to realise the asset and settle the liability simultaneously.

The principal temporary differences arise from depreciation of property, plant and equipment, revaluation of certain financial assets and financial liabilities including derivative contracts, provisions for pensions and other post-retirement benefits, and in relation to acquisitions, on the difference between the fair values of the net assets acquired and their tax base.

ASSOCIATED UNDERTAKINGS

An associated undertaking is an entity over which the Company has significant influence, but not control, overt the entity's operating and financial policy decisions. If the Company holds 20% or more of the voting power of an entity, it is presumed that the Company has significant influence, unless it can be clearly demonstrated that this is not the case.

Investments in associated undertakings are initially recorded at cost and increased or decreased each year by the Company's share of the entity's net income or loss.

SHARE CAPITAL

Issued financial instruments, or their components, are classified as equity where there is no contractual obligation to transfer cash or other financial assets to the holder. They confer on the holder a residual interest in the assets of the Company.

DIVIDENDS AND DISTRIBUTIONS

Dividends on ordinary shares are recognised in equity in the period in which they are approved by the Company shareholders, or in the case of the interim dividend when it has been approved by the Board of Directors. Dividends declared after the reporting date are disclosed in the dividends note.

PROSPECTIVE ACCOUNTING CHANGES

The Directors have considered all IFRSs and interpretations that have been issued, but which are not yet effective and confirm that they do not believe that they will have a significant impact on how the results of operations and financial position are prepared and presented.

INCOME STATEMENT

For the year ended 31 December 2014

	Note	2014 £	2013 £
Revenue	1	-	335,183
Operating expenses	2	(40,004)	(993,176)
Loss on ordinary activities before taxation		(40,004)	(657,993)
Taxation	3	18,860	108,630
Loss for the financial year		(21,144)	(549,363)

The operating profit arises from continuing operations.

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2014

	2014 £	2013 £
Loss for the year	(21,144)	(549,363)
Other comprehensive income	-	-
Total comprehensive loss for the year	(21,144)	(549,363)

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

STATEMENT OF FINANCIAL POSITION

As at 31 December 2014

	Note	2014 £	2013 £
Assets			
Trade and other receivables	6	-	35,569
Cash and cash equivalents	8	**2,151,521**	2,209,608
Total assets		**2,151,521**	2,245,177
Liabilities			
Trade and other payables	9	**2,537,407**	2,609,919
Total liabilities		**2,537,407**	2,609,919
Shareholders' equity			
Ordinary share capital	10	**100**	100
Revenue Reserves		**(385,986)**	(364,842)
Total shareholders' equity		**(385,886)**	(364,742)
Total liabilities and shareholders' equity		**2,151,521**	2,245,177

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

On behalf of the Board

Director
G. O'Keeffe

22nd September 2015

STATEMENT OF CASH FLOWS

For the year ended 31 December 2014

	Note	2014 £	2013 £
Cash flows from operating activities			
Loss before tax		(40,004)	(657,993)
Adjustments for:			
Depreciation		-	15,404
Impairment		-	19,175
		(40,004)	(623,414)
Change in trade and other receivables		35,569	95,016
Change in trade and other payables		(72,512)	896,881
Net cash flows from operating activities		(76,947)	368,483
Taxation refund		18,860	-
Net cash flows from operating activities		(58,087)	368,483
Cash flows from investing activities		-	-
Cash flows from financing activities		-	-
Change in cash and cash equivalents		(58,087)	368,483
Cash and cash equivalents at 1 January		2,209,608	1,841,125
Cash and cash equivalents at 31 December	8	2,151,521	2,209,608

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

At 31 December 2014

	Share capital	Retained earnings	Total shareholders' equity
	£	£	£
At 1 January 2014	**100**	**(364,842)**	**(364,742)**
Loss for the year	**-**	**(21,144)**	**(21,144)**
At 31 December 2014	**100**	**(385,986)**	**(385,886)**
At 1 January 2013	100	184,521	184,621
Loss for the year	-	(549,363)	(549,363)
At 31 December 2013	100	(364,842)	(364,742)

NOTES TO THE FINANCIAL STATEMENTS

1. REVENUE

	2014	2013
	£	£
Operating lease rental income	-	249,149
Operating lease service charge income	-	82,800
Operating lease other income	-	3,234
	-	335,183

2. ADMINISTRATIVE EXPENSES

	2014	2013
	£	£
Operating lease rental expense	-	235,800
Operating lease service charge expense	-	194,846
Operating lease other expense	-	527,716
Depreciation on freehold and leasehold property	-	15,404
Impairment	-	19,175
Other expenses	40,004	235
	40,004	993,176

2 (a). Operating expenses
Accounting and administration services are provided by the ultimate parent company.

The average number of persons employed by the Company, excluding executive Directors during the year was Nil (2013: Nil).

2 (b). Auditor's fees

Auditor's remuneration is borne by the ultimate parent Company, Allied Irish Banks, p.l.c..

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. TAXATION

	2014	2013
	£	£
Current taxation		
Current tax credit for the year	**18,860**	105,396
	18,860	105,396
Deferred taxation	-	3,234
Total income tax credit	**18,860**	108,630

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

	2014	2013
	£	£
Loss before taxation	**40,004**	657,993
Total tax based on standard rate of tax of 21.5% (2013: 23.25%)	**8,601**	152,983
Expenses not deductible for tax purposes	**(8,601)**	(48,317)
UK transfer pricing adjustment	-	730
Adjustments in respect of prior years – current tax	**18,860**	(3,234)
	18,860	108,630

The prior year adjustment credit relates to the waiver of group relief due to a branch of the ultimate parent company. The branch has forgiven the group relief due from the Company.

4. DEFERRED TAX

	2014	2013
	£	£
At 1 January	-	3,234
Credited to the income statement for the year	-	(3,234)
	-	-

5. PROPERTY AND EQUIPMENT

	2014	2013
Freehold and leasehold property	£	£
Cost		
At 1 January	-	234,196
Amounts written off	-	(234,196)
	-	-
Depreciation		
At 1 January	-	199,617
Charge for the year	-	15,404
Impairment	-	19,175
Amounts written off	-	(234,196)
	-	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. TRADE AND OTHER RECEIVABLES

	2014	2013
	£	£
Prepayments and accrued income	-	35,569
	-	35,569

7. COMMITMENTS

There were no outstanding capital commitments at 31 December 2014 or 31 December 2013.

8. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of bank balances with the parent company. For the purposes of the cash flow statement, cash and cash equivalents comprises the following statement of financial position amounts:

	2014	2013
	£	£
Amounts due from group companies	2,151,521	2,209,608
	2,151,521	2,209,608

9. TRADE AND OTHER PAYABLES

	2014	2013
	£	£
Amounts due to fellow group companies	2,537,407	2,615,418
Other taxation - VAT	-	(5,499)
	2,537,407	2,609,919

10. CALLED UP SHARE CAPITAL

	2014	2013
	£	£
Authorised		
100 ordinary shares of £1.00	100	100
Issued		
100 ordinary shares of £1.00	100	100

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. RISK MANANGEMENT

Risk taking is inherent in the provision of financial services and the Company, as part of the AIB Group, assumes a variety of risk in undertaking its business activities. Risk is defined as any event that could: damage the core earnings capacity of the Company, increase earnings or cash flow volatility; reduce capital; threaten business reputation or viability; and/or breach legal obligations. AIB Group has adopted an Enterprise Risk Management approach to identifying, assessing and managing risks.

The key elements of the framework are:

Risk philosophy;
Risk appetite;
Risk governance and risk management organisation;
Risk identification and assessment process;
Risk strategy; and
Stress and scenario testing.

Details of AIB Group's risk management framework are set out in the Annual Report of Allied Irish Banks, p.l.c.

Risk Management – Individual risk types
This section provides details of the exposure to, and risk management of, the following individual risk types which have been identified through the AIB Group risk assessment process and which are relevant to the Company:-

11.1 Liquidity risk
11.2 Operational risk

The 2 applicable risk types are discussed below.

11.1 Liquidity risk
Liquidity risk is the exposure to loss from not having sufficient funds available at an economic price to meet actual and contingent commitments. The objective of liquidity management is to ensure that, at all times, the Company holds sufficient funds to meet its contracted and contingent commitments, at an economic price.

The Company's liquidity risk is managed as part of the overall AIB Group liquidity management. This includes the risk identification and assessment, risk management and mitigation, and risk monitoring and reporting processes. The table below sets out the contractual maturity of liabilities.

Exposure to liquidity risk

					2014
	Repayable on demand	**3 months or less**	**1 year or less**	**Total**	**Carrying value**
	£	**£**	**£**	**£**	**£**
Trade and other payables	**2,537,407**	**-**	**-**	**2,537,407**	**2,537,407**

					2013
	Repayable on demand	3 months or less	1 year or less	Total	Carrying value
	£	£	£	£	£
Trade and other payables	2,615,418	-	-	2,615,418	2,615,418
Vat	-	(5,499)	-	(5,499)	(5,499)

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. RISK MANANGEMENT (continued)

11.2 Operational risk

Operational risk, which is inherent in all business activities, is the exposure to loss from inadequate or failed internal processes, people and systems, or from external events.

The management of operational risk is a line management responsibility. It is supported by specialist operational risk management ('ORM') functions within Allied Irish Banks, p.l.c. that assist and advise line management on specific operational risks. Examples include money laundering prevention, compliance, business continuity planning, information security and insurance.

An element of the Company's ORM programme is an operational risk self-assessment process. This process requires the Company to assess its operational risks and the effectiveness of the related controls to address these risks. It complements the risk-based audit approach applied by internal audit in its role as independent assessor of management's control and risk management processes.

Further details of AIB Group's Liquidity Risk and Operational Risk frameworks are set out in the Annual Report of Allied Irish Banks, p.l.c.

12. FAIR VALUE OF FINANCIAL INSTRUMENTS

The term 'financial instruments' includes both financial assets and financial liabilities. The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participation at the measurement date in the principal or in its absence the most advantageous make to which the Company has access at that date.

The valuation of financial instruments including loans and receivables involves the application of judgement and estimation. Market and credit risks are the key assumptions in the estimation of the fair value of loans and receivables. The volatility in financial markets and the illiquidity that is evident in these markets has reduced the demand for many financial instruments and this creates a difficulty in estimating the fair value for loans to customers.

The fair value of financial instruments has been deemed to be equivalent to the book value as the instruments are variable in nature and it is reasonable to assume that the book value is equivalent to the instrument's fair value.

The directors consider that the carrying amount of trade receivables and prepayments and trade creditors and accrued expenses is approximately equal to their fair value.

Furthermore, the concept of fair value assumes realisation of financial instruments by way of a sale. However in many cases a sale is unlikely, and the assets and liabilities will be held to maturity. The following table gives details of the carrying amounts and fair values of financial instruments at 31 December 2014 and 31 December 2013.

Fair values are based on observable market prices where available and on valuation models or techniques where the lack of market liquidity means that observable prices are unavailable. The fair values are measured according to the following fair value hierarchy:

Level 1 – assets and liabilities measured using quoted market prices from an active market (unadjusted).
Level 2 – assets and liabilities measured using valuation techniques which use quoted market prices from an active market or are measured using quoted market prices unadjusted from an inactive market.
Level 3 – assets and liabilities measured using valuation techniques which use unobservable market data.

The fair value of balances with other AIB Group companies is stated at carrying value.

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

The following table sets out the carrying amount and fair value of financial instruments across the three levels of the fair value hierarchy at 31 December 2014 and 2013.

	2014						
	Carrying amount in statement of financial position			Fair Value hierarchy			
	At amortised cost		Total				
	Loans and receivables	Other		Level 1	Level 2	Level 3	Total
	£	£	£	£	£	£	£
Financial assets not measured at fair value							
Amounts due from group companies	-	**2,151,521**	**2,151,521**	**2,151,521**	-	-	**2,151,521**
	-	**2,151,521**	**2,151,521**	**2,151,521**	-	-	**2,151,521**
Financial liabilities not measured at fair value							
Trade and other payables	-	**2,537,407**	**2,537,407**	-	-	**2,537,407**	**2,537,407**

	2013						
	Carrying amount in statement of financial position			Fair Value hierarchy			
	At amortised cost		Total				
	Loans and receivables	Other		Level 1	Level 2	Level 3	Total
	£	£	£	£	£	£	£
Financial assets not measured at fair value							
Amounts due from group companies	-	2,209,608	2,209,608	2,209,608	-	-	2,209,608
Trade and other receivables	-	35,569	35,569	35,569	-	-	35,569
	-	2,245,177	2,245,177	2,245,177	-	-	2,245,177
Financial liabilities not measured at fair value							
Trade and other payables	-	2,609,919	2,609,919	-	-	2,609,919	2,609,919

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. RELATED PARTY DISCLOSURES

Transaction, arrangements and agreements involving directors and others

Key management personnel are those persons considered having the authority and responsibility for planning directing and controlling the activities of the Company, directly or indirectly. Management consider that the only key management personnel are the Directors.

All cost/emoluments of Directors are paid by the immediate parent company directly and are not recharged to the Company. As a result, the Company has not been required to disclose compensation paid to key management personnel.

Immediate parent and fellow subsidiaries

The table below provides the balances that the Company has with its immediate parent and fellow subsidiaries and the transactions included in the statement of financial position:

	2014	2013
	£	£
Statement of financial position		
Amounts due from group companies	**2,151,521**	2,209,608
Amounts due to fellow group undertakings	**(2,537,407)**	(2,615,418)
Income statement		
Revenue	**-**	234,510

Transactions that the company enters into with group companies are made in the ordinary course of business under normal commercial terms. There is no provision for doubtful debts related to the outstanding balances (2013: £nil).

14. PARENT COMPANY

The immediate parent company is AIB Holdings (UK) Limited, a company registered in London, UK. This is the smallest group in which the financial statements of the Company are consolidated.

The ultimate parent undertaking and controlling party is Allied Irish Banks p.l.c., a company registered in the Republic of Ireland. This is the largest group in which the financial statements of the Company are consolidated. The financial statements of the Group are available from Allied Irish Banks, p.l.c., Bankcentre, Dublin 4. Republic of Ireland.

15. POST BALANCE SHEET EVENTS

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

16. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the board of directors on the 22nd September 2015.