

AIB INVESTMENT MANAGEMENT LIMITED

DIRECTORS' REPORT AND ANNUAL FINANCIAL STATEMENTS For the year ended 31 December 2015

Registered in England & Wales: 01088107

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DIRECTORS AND OTHER INFORMATION

DIRECTORS

Mr. B. Maher
Mr. T. Hall

SECRETARY

Mr. D. O'Callaghan

REGISTERED OFFICE

St. Helens
1 Undershaft
London
EC3A 8AB

REGISTERED NUMBER

01088107

REGISTERED AUDITOR

Deloitte
Chartered Accountants and Statutory Audit Firm
Deloitte and Touche House
Earlsfort Terrace
Dublin 2
Republic of Ireland

BANKERS

Allied Irish Banks, p.l.c
Bankcentre
Ballsbridge
Dublin 4
Republic of Ireland

DIRECTORS' REPORT

The Directors present herewith the audited financial statements for the year ended 31 December 2015. A Statement of Directors' Responsibilities in relation to the financial statements appears on page 6.

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

GOING CONCERN

The financial statements have been prepared on a basis other than that of going concern as the Directors intend to wind-up the Company. The Directors do not believe that the Company will continue in existence for the foreseeable future. Under this basis of accounting assets are stated at their estimated reliable value and liabilities are stated at their estimated settlement value.

DIRECTORS

The Directors of the Company at 31 December 2015 were:

Mr. B. Maher
Mr. T. Hall

SECRETARY

The Secretary of the Company at 31 December 2015 was:

Ms. C. Gilhooley

Ms. C. Gilhooley resigned as Secretary of the Company on 9 September 2016 and Mr. D. O'Callaghan was appointed Secretary of the Company on the same date.

None of the Directors who held office at the end of the financial year had any disclosable interests, as defined in the Companies Act 2006, in the shares of the Company.

No contracts of significance in which a Director had a material interest existed at the end of the year or at any time during the year.

DIRECTORS LOANS

None of the Directors received any loans from the Company (2014: Nil).

DIRECTORS' INDEMNITIES

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

ACCOUNTING RECORDS

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

Each of the persons who is a Director at the date of approval of this annual report confirms that:

- So far as the Director is aware, there is no relevant audit information of which the Company's Auditor is unaware; and
- The Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

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

INDEPENDENT AUDITOR

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

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


Thomas Hall
Director

Date: 23.9 2016


Barry Maher
Director

Date: 23/9 2016

STRATEGIC REPORT**PRINCIPAL ACTIVITIES AND FUTURE DEVELOPMENTS**

The financial position at 31 December 2015 is considered satisfactory and the Directors expect the level of activity to continue in the foreseeable future.

The remaining trading operations of the Company were wound down and the results for the year were treated as discontinued as all material business activities ceased on 24 December 2004.

BUSINESS REVIEW

The results for the year are set out in the attached financial statements. The profit for the year, after taxation, amounted to £55k (2014: £51k). No dividends were declared or paid during the year (2014: Nil).

STRATEGY AND OUTLOOK

The Directors are currently considering the future direction of the company, including the possibility of a members' voluntary winding up. A decision on this is expected to be made during 2016.

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 9 to the financial statements.

CAPITAL MANAGEMENT

The Company is dependent on the ultimate parent company, Allied Irish Banks, p.l.c., for its capital and funding.

POLITICAL AND CHARITABLE DONATIONS

The Company made no political or charitable contributions during the year (2014: Nil).

SUBSEQUENT EVENTS AFTER THE REPORTING DATE


The result of the EU Referendum on 23 June 2016 and the UK government's further commitment to leave the EU has created significant economic uncertainty. The Directors have considered this and determined that there is no effect on the 31 December 2015 financial statements.

There have been no other 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:


Thomas Hall
Director

Date: 23.9 2016


Barry Maher
Director

Date: 23/1 2016

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


Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of their profit or loss for that period. 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 whether they have been prepared in accordance with IFRSs 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 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 its financial statements comply with the Companies Act 2006. They 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.

On behalf of the Board,


Thomas Hall
Director


Barry Maher
Director

Date: 23.9. 2016

Date: 23/9 2016

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AIB INVESTMENT MANAGEMENT LIMITED

We have audited the financial statements of AIB Investment Management Limited for the year ended 31 December 2015 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Shareholders' Equity and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance 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 Auditors' 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 Auditors

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements giving 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's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. 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 Company's affairs as at 31 December 2015 and its profit 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.

Opinion on other matters prescribed by the Companies Act 2006

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

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

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

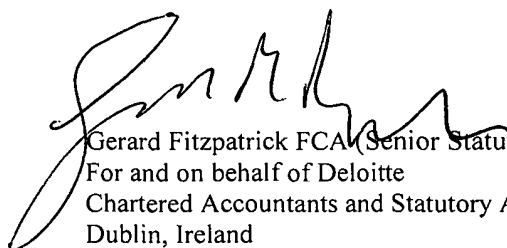
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AIB INVESTMENT MANAGEMENT LIMITED

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 FCA (Senior Statutory Auditor)
For and on behalf of Deloitte
Chartered Accountants and Statutory Audit Firm
Dublin, Ireland

Date: 26th September 2016

INCOME STATEMENT*for the year ended 31 December 2015*

		Discontinued Operations	Discontinued Operations
	Note	2015 £'000	2014 £'000
Interest receivable and similar income		69	65
Total operating Income		69	65
Operating profit		69	65
Profit before taxation		69	65
Taxation	3	(14)	(14)
Profit for the year		55	51

STATEMENT OF COMPREHENSIVE INCOME*for the year ended 31 December 2015*

	2015 £'000	2014 £'000
Profit for the year	55	51
Other comprehensive income for the year, net of taxation	-	-
Total comprehensive profit for the year	55	51

The results for the year are wholly attributable to discontinued operations.

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

STATEMENT OF FINANCIAL POSITION

as at 31 December 2015

	Note	2015 £'000	2014 £'000
Assets			
Cash and cash equivalents	4	12,263	12,329
Other receivables	5	74	74
Total assets		12,337	12,403
Liabilities			
Tax payable	6	28	631
Loans and other payables	7	846	364
Total liabilities		874	995
Shareholders' equity			
Ordinary share capital	8	1,238	1,238
Share premium		25,263	25,263
Capital reserves		915	915
Revenue reserves		(15,953)	(16,008)
Total shareholders' equity		11,463	11,408
Total liabilities and shareholders' equity		12,337	12,403

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

On behalf of the Board


 Thomas Hall
 Director

Date: 23.9. 2016


 Barry Maher
 Director

Date: 23/9 2016

STATEMENT OF CASH FLOWS

for the year ended 31 December 2015

	Note	2015 £'000	2014 £'000
Cash flows from operating activities			
Profit for the year before taxation		69	65
		69	65
Changes in operating assets and liabilities			
Change in loans and other payables		482	-
Net cash flows from operating assets and liabilities		482	-
Net cash flows from operating activities before taxation		551	65
Taxation paid		(617)	-
Net cash flows from operating activities		(66)	-
Net cash flows from investing activities		-	-
Net cash flows from financing activities		-	-
Change in cash and cash equivalents		(66)	65
Cash and cash equivalents at 1 January		12,329	12,264
Cash and cash equivalents at 31 December	4	12,263	12,329

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

for the year ended 31 December 2015

	Ordinary Share Capital	Share Premium	Capital Reserves	Revenue Reserves	Total Shareholders' Equity
	£'000	£'000	£'000	£'000	£'000
At 1 January 2015	1,238	25,263	915	(16,008)	11,408
Profit for the year	-	-	-	55	55
At 31 December 2015	1,238	25,263	915	(15,953)	11,463

At 1 January 2014	1,238	25,263	915	(16,059)	11,357
Profit for the year	-	-	-	51	51
At 31 December 2014	1,238	25,263	915	(16,008)	11,408

NOTES TO THE FINANCIAL STATEMENTS**1. ACCOUNTING POLICIES**

The accounting policies that the Company applied in the preparation of the financial statements for the year ended 31 December 2015 are set out below.

1.1 REPORTING ENTITY

AIB Investment Management Limited is a private company limited by shares. It is incorporated and domiciled in England & Wales. The address of the Company's registered office is St. Helens, 1 Undershaft, London, EC3A 8AB.

1.2 STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with International Accounting Standards and International Financial Reporting Standards (collectively "IFRSs") as issued by the International Accounting Standards Board ("IASB") and International Financial Reporting Standards as adopted by the European Union ("EU") and applicable for the year ended 31 December 2015. 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.

1.3 BASIS OF PREPARATION*(a) Functional and presentation currency*

The financial statements are presented in Sterling, which is the functional currency of the Company.

(b) Critical accounting judgements and estimates

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.

(c) Basis of Measurement

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

(d) Going Concern

The financial statements have been prepared on a basis other than that of going concern as the Directors intend to wind-up the Company. The Directors do not believe that the Company will continue in existence for the foreseeable future. Under this basis of accounting assets are stated at their estimated reliable value and liabilities are stated at their estimated settlement value.

(e) Adoption of new accounting standards

During the financial year to 31 December 2015, the Company adopted amendments to standards and interpretations which had an insignificant impact on these annual financial statements.

1.4 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.

1.5 INTEREST INCOME

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

NOTES TO THE FINANCIAL STATEMENTS (continued)**1. ACCOUNTING POLICIES (continued)****1.6 DUE FROM GROUP UNDERTAKING**

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

1.7 CASH AND CASH EQUIVALENTS

For the purposes of the cash flow statement, cash comprises cash on hand and demand deposits (excluding regulatory balances with the Bank of England) and cash equivalents comprise highly liquid investments that are convertible into cash with an insignificant risk of changes in value and with a maturity of less than three months from the date of acquisition.

1.8 TRADE AND OTHER RECEIVABLES

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and which are not classified as available for sale. They arise when the Company provides money to another group company. Trade and other receivables are initially recognised at fair value including direct and incremental transaction costs, and are carried on an amortised cost basis.

1.9 NON-CREDIT RISK PROVISIONS

Provisions are recognised for present legal or constructive obligations arising as consequences of past events where it is probable that a transfer of economic benefit will be necessary to settle the obligation, and it can be reliably estimated. When the effect is material, provisions are determined by discounting expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

1.10 DUE TO GROUP UNDERTAKING

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

1.11 TRADE AND OTHER PAYABLES

Trade and other payables are contractual arrangements, resulting in the Company having a present obligation to either deliver cash or another financial asset to the holder. Trade and other payables are initially recognised at fair value, net of transaction costs incurred and are subsequently measured at amortised cost.

1.12 SHARE CAPITAL

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

Share capital

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

Share premium

When shares are issued at a premium whether for cash or otherwise, the excess of the amount received over the par value of the shares is transferred to share premium.

Capital reserves

Capital reserves represent transfers from retained earnings in accordance with relevant legislation.

Profit and loss account

The profit and loss account represents retained earnings of the Company.

1.13 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. AUDITORS FEES

Auditor's remuneration (including; Audit Fees, Other Assurance Services, Tax Advisory Services and Other Non-Audit Services) is borne by the ultimate parent company, Allied Irish Banks, p.l.c..

3. TAXATION

	2015 £'000	2014 £'000
Current taxation		
UK corporation tax on profits for the period	14	14
Total income tax expense	14	14

Effective tax rate

The tax for the period is the standard average rate of corporation tax in the UK 20.25% (2014: 21.5%).

	2015 £'000	2014 £'000
Profit before taxation	69	65
Corporation tax in the UK of 20.25% (2014: 21.5%)	14	14
Current tax charge	14	14

The corporation tax rate was 20.25% for the year ended 31 December 2015 (2014: 21.5%).

4. CASH AND CASH EQUIVALENTS

	2015 £'000	2014 £'000
Funds placed with Allied Irish Banks, p.l.c.	12,263	12,329
	12,263	12,329

Funds placed with Allied Irish Banks, p.l.c. earn interest at market rates.

5. OTHER RECEIVABLES

	2015 £'000	2014 £'000
Sundry debtors	74	74
	74	74

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. CURRENT TAXATION

	2015 £'000	2014 £'000
Current tax liability	28	631
	28	631

The current tax liability of £28k (2014: £631k) represents the amount of income taxes payable in respect of current and prior periods.

7. LOANS AND OTHER PAYABLES

	2015 £'000	2014 £'000
Loan due to ultimate parent company	95	95
Funds due to group undertakings	751	268
Other creditors and accruals	-	1
	846	364

Amounts due to the group undertakings are repayable on demand and non-interest bearing.

8. CALLED UP SHARE CAPITAL

2015	Local \$'000	Base £'000
Authorised		
8,900,000 ordinary deferred shares of £0.05 each	-	445
122,037,620 ordinary shares of US \$0.01 each	1,220	-
Authorised and fully paid		
8,887,620 ordinary deferred shares of £0.05 each	-	444
10,000 ordinary deferred shares of £0.05 each	-	1
122,001,620 ordinary shares of US \$0.01 each	1,220	793
Total	1,220	1,238

2014	Local \$'000	Base £'000
Authorised		
8,900,000 ordinary deferred shares of £0.05 each	-	445
122,037,620 ordinary shares of US \$0.01 each	1,220	-

Authorised and fully paid

8,887,620 ordinary deferred shares of £0.05 each	-	444
10,000 ordinary deferred shares of £0.05 each	-	1
122,001,620 ordinary shares of US \$0.01 each	1,220	793
Total	1,220	1,238

NOTES TO THE FINANCIAL STATEMENTS (continued)**9. RISK MANAGEMENT**

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.

- 9.1 Credit risk
- 9.2 Liquidity risk
- 9.3 Operational risk
- 9.4 Interest rate risk

The 4 applicable risk types are discussed below.

9.1 Credit risk

Credit risk is defined as the risk that a customer or counterparty will be unable or unwilling to meet a commitment that it has entered into and that pledged collateral does not fully cover the Company's claims. The credit risks in the Company arise primarily from customers' ability to reimburse the Company for services provided.

9.2 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.

9.3 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 Limited 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..

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. RISK MANAGEMENT (continued)

9.4 Interest rate risk

The interest rate sensitivity analysis for the Company as at 31 December 2015 and 2014 is as follows:

	0-3 Months £'000	3-6 Months £'000	6-12 Months £'000	1-5 Years £'000	+5 Years £'000	Non-interest bearing £'000	Total £'000
Loans and other receivables	-	-	-	-	-	74	74
Cash and cash equivalents	12,263	-	-	-	-	-	12,263
Total assets	12,263	-	-	-	-	74	12,337
Shareholders' equity	-	-	-	-	-	11,463	11,463
Tax payable	-	-	-	-	-	28	28
Trade and other payables	-	-	-	-	-	846	846
Total equity and liabilities	-	-	-	-	-	12,337	12,337
Interest sensitivity gap	12,263	-	-	-	-	(12,263)	-
Cumulative interest sensitivity gap	12,263	12,263	12,263	12,263	12,263	-	-

	0-3 Months £'000	3-6 Months £'000	6-12 Months £'000	1-5 Years £'000	+5 Years £'000	Non-interest bearing £'000	Total £'000
Loans and other receivables	-	-	-	-	-	74	74
Cash and cash equivalents	12,329	-	-	-	-	-	12,329
Total assets	12,329	-	-	-	-	74	12,403
Shareholders' equity	-	-	-	-	-	11,408	11,408
Tax payable	-	-	-	-	-	631	631
Trade and other payables	-	-	-	-	-	364	364
Total equity and liabilities	-	-	-	-	-	12,403	12,403
Interest sensitivity gap	12,329	-	-	-	-	(12,329)	-
Cumulative interest sensitivity gap	12,329	12,329	12,329	12,329	12,329	-	-

NOTES TO THE FINANCIAL STATEMENTS (continued)**10. 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 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 valuation of financial instruments including loans and receivables involves the application of judgment and estimation. Market and credit risks are the key assumptions in the estimation of the fair value of loans and receivables. The Company has estimated the fair value of its loans to customers taking into account market risk and the changes in credit quality of its borrowers.

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 2015 and 31 December 2014.

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. 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 2015.

	2015						
	Carrying amount in statement of financial position			Fair Value hierarchy			
	At amortised cost		Total				
	Loans and receivables	Other	Total	Level 1	Level 2	Level 3	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<i>Financial assets not measured at fair value</i>							
Cash and cash equivalents	12,263	-	12,263	12,263	-	-	12,263
	12,263	-	12,263	12,263	-	-	12,263
<i>Financial liabilities not measured at fair value</i>							
Loans and other payables	846	-	846	-	-	846	846
	846	-	846	-	-	846	846

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. 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.

			2014				
Carrying amount in statement of financial position			Fair Value hierarchy				
At amortised cost		Total					
Loans and receivables	Other	Total	Level 1	Level 2	Level 3	Total	
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<i>Financial assets not measured at fair value</i>							
Cash and cash equivalents	-	12,329	12,329	-	-	12,329	
	-	12,329	12,329	-	-	12,329	
<i>Financial liabilities not measured at fair value</i>							
Loans and other payables	364	-	-	-	364	-	
	364	-	-	-	364	-	

NOTES TO THE FINANCIAL STATEMENTS (continued)**11. ULTIMATE PARENT COMPANY**

The Company is a wholly owned subsidiary of Alibank London Nominees Limited and the Directors regard Allied Irish Banks, p.l.c. as the ultimate parent company. The largest and the smallest group into which the financial statements of AIB Investment Management Limited are consolidated is that headed by Allied Irish Banks, p.l.c., which is incorporated in Republic of Ireland. The capital management policy of the Company is governed by AIB Group capital management policies. Capital is regularly assessed and is deemed appropriate for the Company's on-going activities.

Copies of the financial statements of Allied Irish Banks, p.l.c., may be obtained from the Company Secretary, Bankcentre, Ballsbridge, Dublin 4, Republic of Ireland.

12. EMPLOYEES

The monthly average number of persons employed by the Company during the financial year was Nil (2014: Nil).

13. DIRECTORS' EMOLUMENTS

The Company had no employees during the year. Personnel employed by the parent company and a fellow subsidiary provide services to the Company.

14. REPORTING CURRENCY

The currency used in these financial statements is Sterling, which is denoted by the symbol £.

15. RELATED PARTIES

The Company has related party relationships with Allied Irish Banks, p.l.c. and other AIB Group entities. Details of transactions between group entities are disclosed in Notes 2, 4 and 7.

16. SUBSEQUENT EVENTS

The result of the EU Referendum on 23 June 2016 and the UK government's further commitment to leave the EU has created significant economic uncertainty. The Directors have considered this and determined that there is no effect on the 31 December 2015 financial statements.

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

17. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors on the 23/9 2016.