

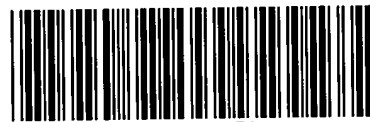
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Registration Number: 2562881

**ABC INVESTMENT HOLDINGS LIMITED**

**DIRECTOR'S REPORT AND FINANCIAL  
STATEMENTS**

**For the year ended 31<sup>st</sup> December 2015**

THURSDAY



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COMPANIES HOUSE

**DIRECTORS**

WILLIAM PLAYLE – Resigned 16<sup>th</sup> March 2015  
PAUL JENNINGS – Appointed 16<sup>th</sup> March 2015

**SECRETARY**

DAVID THOMAS HOLDEN

**AUDITORS**

Ernst & Young LLP  
25 Churchill Place  
London E14 5Y

**REGISTERED OFFICE**

Arab Banking Corporation House  
1 – 5 Moorgate  
London EC2R 6AB

# **ABC Investment Holdings Limited (the "Company")**

## **DIRECTOR'S REPORT**

The Director presents his report and financial statements for the year ended 31<sup>st</sup> December 2015

## **PRINCIPAL ACTIVITIES**

The Company is a property holding company and its ultimate parent company is Central Bank of Libya. The Company is expected to continue in this capacity for the foreseeable future. The Company is a subsidiary of ABC International Bank plc ("the Bank") which is a UK banking entity authorised by the Prudential Regulation Authority ("PRA") and regulated by the Financial Conduct Authority ("FCA").

## **RESULTS AND DIVIDENDS**

The profit of the Company for the year amounts to £380,000 (2014 – £437,000).

The Director does not rely on key performance indicators to monitor the business. Principal risks and uncertainties affecting the Company are considered at the Bank level. The business is managed by monitoring the business' performance against budget, which is performed on a monthly basis.

## **Going Concern**

The financial statements of ABC Investment Holdings Limited have been prepared on the going concern basis.

In assessing whether the going concern assumption remains appropriate for the Company, the Director has considered; the underlying purpose of the Company, in providing support functions to the ABC Group (Arab Banking Corporation (B.S.C.) 'Bank ABC' and subsidiaries), the sources of funding available to the Company, its obligations forecast to fall due within 12 months of signing the financial statements and the ability of ABC Group to support the Company.

Based on these factors the Director has ascertained that the Company will continue as a going concern for a period of at least 12 months from the signing of the financial statements. As such, it remains appropriate to prepare the financial statements on the going concern basis.

The nature of the Company's activities, dictates that operational risk is more prominent, whilst market risk and credit risks are less of a concern. Senior management and the Board of Directors pay close attention to risk and compliance issues.

## **DIRECTORS**

The Company does not have any employees as at 31<sup>st</sup> December 2015. The names of the Directors who served during the year are set out on page 1. The Directors did not have any interest in the shares of the Company during the year. The Directors benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

## **DISCLOSURE OF INFORMATION TO THE AUDITOR**

The Director confirms that:

There is no relevant information of which the Company's auditors are unaware, and he has taken all steps that he ought to have taken to make himself aware of any relevant audit information, and to establish that the auditor is aware of that information.

## **REAPPOINTMENT OF AUDITOR**

The Company has elected not to make an annual appointment of auditors. Accordingly, Ernst & Young LLP are deemed to be reappointed in accordance with Section 487(2) of the Companies Act 2006.



By order of the Board  
Paul Jennings  
Director

**11 MAY 2016**

# **ABC Investment Holdings Limited**

## **STRATEGIC REPORT**

The Director presents his strategic report for the year ended 31<sup>st</sup> December 2015.

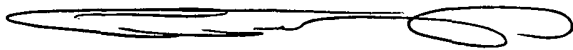
### **Review of the business**

In 2015 profit on ordinary activities before tax decreased by £57,000 to £380,000 as a result of higher interest payable to the Bank.

The net assets of the Company increased to £2,021,000 from £1,641,000 in 2014.

The principal risk and uncertainty affecting the Company is the possible impairment of the Freehold property which is considered at the Bank level. There were no indicators of impairment at the year end.

The Company is a property holding company and will continue in this capacity for the foreseeable future.



Paul Jennings  
Director

**11 MAY 2016**

## **STATEMENT OF DIRECTOR'S RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

The Director is responsible for preparing the Director's Report, Strategic Report and the financial statements in accordance with applicable laws and regulations.

Company law requires the Director to prepare financial statements for each financial year. Under that law the Director has elected to prepare the financial statements in accordance with United Kingdom Accounting Standards including Financial Reporting Standard 102. Under company law the Director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the Company and of the profit and loss of the Company for that period. In preparing those financial statements the Director is required to:

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

The Director is responsible for keeping proper 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 to enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABC INVESTMENT HOLDINGS LIMITED**

We have audited the financial statements of ABC Investment Holdings 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 Changes in Equity and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland.

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 Directors' Responsibilities Statement set out on page 4, 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'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 the company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

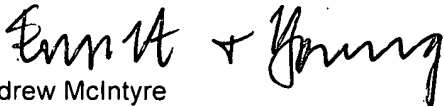
### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **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.



Andrew McIntyre

For and on behalf of Ernst & Young LLP, Statutory Auditor

London

16 May 2016

**ABC Investment Holdings Limited****INCOME STATEMENT****for the year ended 31st December 2015**

		<b>2015</b>	<b>2014</b>
		<b>£000</b>	<b>£000</b>
	Notes		
Rental income from immediate parent company		<b>1,900</b>	<b>1,900</b>
Interest payable to immediate parent company		<b>(958)</b>	<b>(901)</b>
Depreciation and amortisation	8	<b>(562)</b>	<b>(562)</b>
<b>Profit on ordinary activities before tax</b>	6	<b>380</b>	<b>437</b>
Tax on profit on ordinary activities	7	-	-
<b>Profit for the financial year</b>	14	<b>380</b>	<b>437</b>

The results for the years ended 31st December 2015 and 31st December 2014 are derived from continuing operations.



**STATEMENT OF COMPREHENSIVE INCOME**  
**as at 31st December 2015**

	2015 £000	2014 £000
Profit for the financial year	380	437
Total comprehensive income for the financial year	<u>380</u>	<u>437</u>

**STATEMENT OF FINANCIAL POSITION**  
as at 31st December 2015

	Notes	2015 £000	2014 £000
<b>Fixed Assets</b>			
Tangible assets	8	37,688	38,250
<b>Non current assets</b>			
Deferred tax asset	9	1,140	1,140
<b>Current Assets</b>			
Cash at bank and in hand		8,448	6,548
		8,448	6,548
<b>CREDITORS: Amounts falling due within one year</b>			
Amounts owed to parent undertaking		5	5
Other creditors	10	475	475
Accruals and deferred income	11	286	280
Term borrowing	12	44,489	43,537
		45,255	44,297
<b>Net Current liabilities</b>		(36,807)	(37,749)
<b>Net assets</b>		2,021	1,641
<b>Capital and Reserves</b>			
Called up share capital	13	-	-
Profit and loss account	14	2,021	1,641
<b>Equity shareholder's funds</b>	14	2,021	1,641

These financial statements of ABC Investment Holdings Limited were approved by the director and authorised for issue on March 2016 and were signed on its behalf by:



Paul Jennings  
Director

11 MAY 2016

STATEMENT OF CHANGES IN EQUITY

	Called-up share capital £000	Profit and loss account £000	Total £000
At 1 January 2014	-	1,204	1,204
Profit and total comprehensive income for the year	-	437	437
At 31 December 2014	-	1,641	1,641
Profit and total comprehensive income for the year	-	380	380
At 31 December 2015	-	2,021	2,021

## NOTES TO THE ACCOUNTS

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### 1. Company information

The Company is incorporated in England and its registered office is 1 - 5 Moorgate, London, EC2R 6AB.

### 2. Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standards applicable in the United Kingdom and Republic of Ireland' ('FRS102'), and with the Companies Act 2006. The financial statements have been prepared under the historical cost basis.

This is the first year in which the financial statements have been prepared under FRS 102. There were no material differences resulting from the adoption of FRS 102 and therefore no reconciliation has been included in the financial statements.

The financial statements are presented in Sterling (£).

The Company has adopted the following disclosure exemptions:

- the requirement to present a statement of cash flows and related notes
- the requirement to disclose related party transactions with other group companies.

### Going Concern

The financial statements have been prepared on the Going Concern basis, as Bank ABC has undertaken to provide the necessary finance to enable the Company to meet its obligations as they fall due.

### 3. Significant accounting judgements and estimates

In the process of applying ABCIH's accounting policies, management has used their judgement and made estimates in determining the amounts recognised in the financial statements. The most significant uses of judgements and estimates are as follows:

#### Impairment of freehold land and buildings

The Director performs an impairment assessment of the carrying value of freehold land and buildings. The higher of value in use and fair value less costs to sell are used to determine if any impairment exists. Impairments are recognised in the period in which they incur and reduce the associated carrying value of the asset, by including the impairment charge as part of "Depreciation and impairment".

#### Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. In assessing the recoverability of deferred tax assets, management considers forecast profits for three years.

### 4. Principal accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below:

#### a) Foreign currency translation

Transactions in foreign currencies are initially recorded in the functional currency at the rate of exchange ruling at the date of the transaction.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions except in the case of non-monetary items that form part of effective hedging relationships which are translated at rates of exchange at the balance sheet date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

#### b) Recognition of income and expense

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

##### i) Interest and similar income and expense

For all financial instruments measured at amortised cost, interest income or expense is recorded at the effective interest rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or the financial liability. The calculation takes into account all contractual terms of the financial instrument and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest rate, but not future credit losses. The carrying amount of the financial asset or financial liability is adjusted if ABCIB revises its estimates of payments or receipts. The adjusted carrying amount is calculated based on the original effective interest rate and the change in carrying amount is recorded as interest income or expense.

##### ii) Rental income

Rental income represents rent receivable on ABC House from the immediate parent company accounted for on straight line basis.

##### c) Leases

Operating leases are leases that do not transfer all the risks and rewards incidental to ownership to the lessee. ABCIH has entered into operating leases where rental receivable are credited to the income statement on a straight line basis over the lease term.

**d) Fixed assets and depreciation**

Fixed assets are stated at cost less accumulated depreciation and impairment losses. Such cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all fixed assets at rates calculated to write off the cost less the estimated residual value on prices prevailing at the date of acquisition of each asset evenly over its expected useful life as follows:

Buildings	- 50 years
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The carrying values of fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable at least annually.

There were no indicators of impairment at the year end.

**e) Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more tax, with the following exceptions:

-Deferred tax assets are recognised only to the extent that the directors consider it more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

-Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

**f) Current tax**

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute these amounts are those that are enacted or substantively enacted by the balance sheet date.

**5. Administrative expenses**

The Company does not have any employees (2014 - nil).

The directors of the Company were also directors of the holding company, ABC International Bank plc. The directors received total remuneration for the year of £1,789,287 (2014: £675,000), all of which was paid by the holding company. The directors do not believe that it is practicable to apportion this amount between his services as a director of the company and their services as directors of the holding and fellow subsidiary companies.

**6. Profit on ordinary activities before tax**

Audit fees of £4,000 (2014: £4,000) and taxation fees of £4,550 (2014: £6,860) were borne by the parent undertaking.

<b>7. Taxation</b>	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>
<b>Tax on Profit on ordinary activities</b>		
UK Corporation tax	-	-
<b>Total current tax</b>	-	-
<b>Deferred tax:</b>		
Change during the year	-	-
<b>Total deferred tax</b>	-	-
<b>Total tax charge for the year</b>	-	-
<b>Factors affecting tax for the year</b>		
The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK. The differences are explained below:		
	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>
Profit on ordinary activities before tax	<b>380</b>	<b>437</b>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.25% (2014 - 21.5%)	<b>77</b>	<b>94</b>
Effect of:		
Fixed assets depreciation	<b>114</b>	<b>121</b>
Loan relationship brought forward losses utilised	<b>(251)</b>	<b>(409)</b>
Group relief	<b>60</b>	<b>194</b>
<b>Current tax charge</b>	-	-

**8. Tangible fixed assets**

	Freehold Land and Buildings £000	Total £000
Cost		
At 1st January 2015	60,000	60,000
<b>At 31st December 2015</b>	<b>60,000</b>	<b>60,000</b>
Depreciation and impairment		
At 1st January 2015	21,750	21,750
Charge for the year	562	562
<b>At 31st December 2015</b>	<b>22,312</b>	<b>22,312</b>
Net book value		
<b>At 31st December 2015</b>	<b>37,688</b>	<b>37,688</b>
At 31st December 2014	38,250	38,250

Depreciation and impairment includes a £15 million impairment recorded in prior years.

	2015 £000	2014 £000
<b>9. Deferred tax asset</b>		
At 1st January	1,140	1,140
Movements during the year	-	-
<b>At 31st December</b>	<b>1,140</b>	<b>1,140</b>
The major components of the deferred tax asset are as follows:		
Unutilised tax losses	1,140	1,140

There is unrecognised deferred tax asset of £2.6 million based on a tax rate of 20% (2014: £2.9 million) arising mainly due to brought forward tax losses. Management has performed a review of the recoverability of deferred tax assets considering forecast profits for the next three years. The assumptions used in preparing these forecasts have been subject to a series of stress tests to ensure the forecasts fall within a reasonable range of outcomes.

Deferred tax has been recognised at 20% given this is the enacted rate on 31 December 2015.

**10 Other Creditors**

	2015 £000	2014 £000
Rent received in advance	475	475
	<b>475</b>	<b>475</b>

**11 Accruals and deferred income**

	2015 £000	2014 £000
Interest payable	286	280

**12 Term borrowing**

	2015 £000	2014 £000
Repayable:		
Within one year	44,489	43,537
	<b>44,489</b>	<b>43,537</b>
Included in the above are balances due to ABC Group undertakings of:	44,489	42,663

Interest on all term borrowing is calculated by reference to LIBOR plus a margin of 1.26% which is repriced annually.

**13 Allotted and called up share capital**

	2015 & 2014 Authorised 300,000,000	2015 & 2014 Issued 100
Ordinary shares of £1 each		

**14 Equity shareholder's funds**

	Ordinary share capital £000	Profit & loss account £000	Total £000
Brought forward 1st January 2015	-	1,641	1,641
Profit for the year	-	380	380
<b>At 31st December 2015</b>	<b>-</b>	<b>2,021</b>	<b>2,021</b>

**15 Related party transactions**

The Company is wholly owned by its parent undertaking and as such has taken advantage of the exemption given in S.33 Financial Reporting Standard 102 to subsidiaries from disclosing related party transactions with other group companies. The directors are unaware of any other related party transactions requiring disclosure.

**16 Leases**

At 31st December 2015 the Company had annual rent receivable, under operating lease agreement, from the Bank as set out below:

	Land and buildings 2015	Land and buildings 2014
Between five and ten years	1,900,000	1,900,000

**17 Ultimate Parent Undertaking**

The ultimate parent company is Central Bank of Libya. ABCIH is a subsidiary undertaking of ABC International Bank plc which is registered in England.