



AIB Asset Management Holdings Limited

**Directors' Report and
Annual Financial Statements
for the year ended 31 December 2022**

Company registration number: 03134603

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Directors and other information

Directors	Thomas Hall Paul Scully
Secretary	Adrian Kelly
Registered office	AIB St. Helens 1 Undershaft London EC3A 8AB England
Registered number	03134603
Registered auditor	Deloitte Ireland LLP Chartered Accountants and Statutory Audit Firm Deloitte & Touche House Earlsfort Terrace Dublin 2 Republic of Ireland
Banker	Allied Irish Banks, p.l.c. 10 Molesworth Street Dublin 2 Republic of Ireland

Directors' report

The Directors of AIB Asset Management Holdings Limited ('the Company') present their annual report and audited financial statements for the year ended 31 December 2022. The Statement of Directors' responsibilities in relation to the financial statements is shown on page 6.

The Company has chosen, in accordance with Section 414C(11) of the Companies Act 2006 to include certain matters, such as capital management, principal risks and uncertainties, a review of future developments and non-adjusting events after the reporting date in its Strategic report that would otherwise be required to be disclosed in this Directors' report. The Strategic report is on page 5.

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 in the near future, after settlement of taxation and payment of a dividend. Under this basis of accounting assets are stated at their estimated realisable value and liabilities are stated at their estimated settlement value.

Directors and Secretary during the year

The Directors of the Company during the financial year ended 31 December 2022 were:

Thomas Hall
Paul Scully

Elizabeth Hallissey resigned as Secretary of the Company on 26 January 2022.

Adrian Kelly was appointed as Secretary of the company on 27 January 2022.

Directors' and Secretary's interests

None of the Directors or the Secretary who held office at the end of the financial year had any disclosable interests, as defined in the United Kingdom Companies Act 2006, in the shares of the Company or any other Group undertakings.

No contracts of significance in which a Director or the Secretary 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 during the financial year 2022 (2021: nil).

Directors' indemnities

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

Accounting records

The Directors have complied with the requirements of the Companies Act 2006 with regard to adequate accounting records by allocating personnel with appropriate expertise and by providing adequate resources to the Finance function. The accounting records of the Company are maintained at the registered office of its ultimate parent AIB Group plc, 10 Molesworth Street, Dublin 2, Ireland. The Company's officers have made sufficient arrangements to ensure compliance with Section 388 of the Companies Act 2006.

Disclosure of information to auditor

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

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

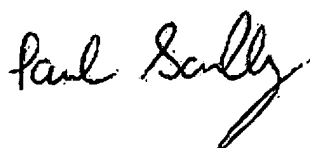
Directors' report (continued)

Independent auditor

Deloitte Ireland LLP ('Deloitte'), intend to resign as auditor of the ultimate parent company, AIB Group plc, following the conclusion of the 2022 financial year end process, having served as AIB Group plc's statutory auditor for the maximum legally permitted unbroken tenure in office of ten years. Consequently, Deloitte will also step down as auditor of the Company following the conclusion of the 2022 financial year end process.

A formal external audit tender process was completed by the Audit Committee of AIB Group plc, on behalf of the AIB Group plc Board, and PricewaterhouseCoopers ('PwC') have been selected by the Board as the proposed new statutory auditor in respect of the financial year ending 31 December 2023. A shareholder resolution at the annual general meeting of AIB Group plc, to be held on 4 May 2023, is required for the appointment of the new statutory auditor.

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



Paul Scully
Director

Date: 3 May 2023

Strategic report

Principal activities and future developments

AIB Asset Management Holdings Limited ('the Company') was set up as an investment holding company. The Company does not currently hold any interests in any subsidiary undertakings since they were all previously transferred to the penultimate parent company.

Business review

The results for the year are set out in the attached financial statements. The profit for the year after taxation amounted to £120k (2021: loss £1k). No dividends were declared or paid during the year (2021: nil).

The Company had total assets of £740k at 31 December 2022 (2021: £741k) of which £663k relates to amounts due from Group undertakings (2021: £663k). Total liabilities at 31 December 2022 of £1k decreased from £122k at 31 December 2021. Shareholders' equity at 31 December 2022 increased to £739k (2021: £619k) reflecting the profit for the year.

Strategy and outlook

The Directors intend to wind up the Company in the near future, after settlement of taxation and payment of a dividend to distribute the remaining reserves.

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 immediate parent company, Allied Irish Banks p.l.c. ('AIB'), for its capital and funding.

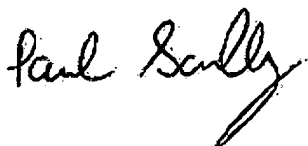
Political and charitable donations

The Company made no political or charitable contributions during the year (2021: nil).

Non-adjusting events after the reporting period

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:



Paul Scully
Director

Date: 3 May 2023

Statement of Directors' responsibilities

The following statement is made with a view to distinguishing for shareholders the respective responsibilities of the Directors and of the Auditor in relation to the financial statements. It should be read in conjunction with the statement of Auditor's responsibilities set out in their audit report.

The Directors are responsible for preparing the annual 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 the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the United Kingdom. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

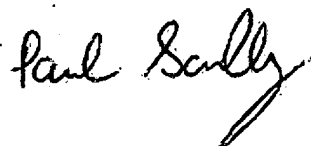
In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state that the financial statements comply with IFRSs as adopted by the UK; 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 the financial statements comply with the Companies Act 2006. They are 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.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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



Paul Scully
Director

Date: 3 May 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AIB ASSET MANAGEMENT HOLDINGS LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of AIB Asset Management Holdings Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in shareholders' equity;
- the statement of cash flows; and
- the related notes 1 to 15, including a summary of significant accounting policies as set out in note 1.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom adopted accounting standards and IFRSs as issued by the IASB.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Financial statements prepared other than on a going concern basis

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1.3 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Directors' Report and Annual Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Directors' Report and Annual Financial Statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AIB ASSET MANAGEMENT HOLDINGS LIMITED

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AIB ASSET MANAGEMENT HOLDINGS LIMITED

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions 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 or the directors' report.

Matters on which we are required to report by exception

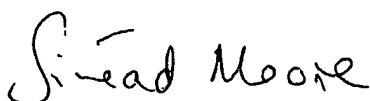
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

We have nothing to report in respect of these matters.

Use of our report

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.



Sinead Moore
For and on behalf of Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House, Earlsfort Terrace, Dublin 2, Ireland

Date: 2 June 2023

Income statement

for the financial year ended 31 December 2022

	Note	2022 £'000	2021 £'000
Operating expenses	2	121	—
Profit before taxation		121	—
Income tax charge	4	(1)	(1)
Profit/(loss) for the year		120	(1)

Statement of comprehensive income

for the financial year ended 31 December 2022

	2022 £'000	2021 £'000
Profit/(loss) for the year	120	(1)
Other comprehensive income for the year	—	—
Total comprehensive income for the year	120	(1)

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

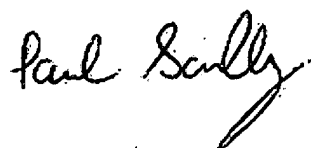
Statement of financial position

as at 31 December 2022

	Note	2022 £'000	2021 £'000
Assets			
Cash and cash equivalents	5	76	77
Amounts due from Group undertakings	6	663	663
Current taxation		1	1
Total assets		740	741
Liabilities			
Amounts due to Group undertakings	7	1	121
Accruals and deferred income		—	1
Total liabilities		1	122
Shareholders' equity			
Issued share capital presented as equity	8	—	84,676
Share premium		—	66,487
Revenue reserves		739	(150,544)
Total shareholders' equity		739	619
Total liabilities and shareholders' equity		740	741

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

The financial statements were approved by the Board of Directors on 3 May 2023 and signed on its behalf by:



Paul Scully
Director

Date: 3 May 2023

Company registration number: 03134603

Statement of changes in shareholders' equity

for the financial year ended 31 December 2022

	Ordinary share capital	Share premium	Revenue reserves	Total shareholders' equity
	£'000	£'000	£'000	£'000
At 1 January 2022	84,676	66,487	(150,544)	619
Total comprehensive income for the year	—	—	120	120
Capital reduction ⁽¹⁾	(84,676)	(66,487)	151,163	—
At 31 December 2022	—	—	739	739
At 1 January 2021	84,676	66,487	(150,543)	620
Total comprehensive income for the year	—	—	(1)	(1)
At 31 December 2021	84,676	66,487	(150,544)	619

⁽¹⁾For details in relation to the capital reduction transaction see note 8. Called up share capital.

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

Statement of cash flows

for the financial year ended 31 December 2022

	Note	2022 £'000	2021 £'000
Cash flows from operating activities			
Profit before taxation for the year		121	—
Cash flows from operating assets and liabilities			
Change in accruals and deferred income		(1)	—
Change in amounts due from group undertakings		—	1
Change in amounts due to group undertakings		(120)	1
Net cash flows from operating assets and liabilities		(121)	2
Net cash flows from operating activities before taxation		—	2
Taxation paid		(1)	(1)
Net cash flows from operating activities		(1)	1
Net cash flows from investing activities		—	—
Net cash flows from financing activities		—	—
Change in cash and cash equivalents		(1)	1
Cash and cash equivalents at 1 January		77	76
Cash and cash equivalents at 31 December		76	77

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

Notes to the financial statements

1. Accounting policies

The significant accounting policies that the Company applied in the preparation of the financial statements are set out below.

1.1. Reporting entity

AIB Asset Management Holdings Limited is a private company limited by shares. It is incorporated and domiciled in England and Wales. The address of the Company's registered office is AIB, St. Helens, 1 Undershaft, London, EC3A 8AB. The Company's registered number is 03134603.

1.2. Statement of compliance

The financial statements have been prepared in accordance with International Accounting Standards and International Financial Reporting Standards (collectively 'IFRS'), as issued by the International Accounting Standards Board ('IASB') and subsequently adopted by the United Kingdom and applicable for the year ended 31 December 2022. 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

Functional and presentation currency

The financial statements are presented in pound sterling (£), which is the functional currency of the Company. Except as otherwise indicated, financial information presented in pound sterling has been rounded to the nearest thousand (£'000).

Basis of measurement

As going concern is no longer applicable, assets are stated at their estimated realisable value and liabilities are stated at their estimated settlement value.

Use of judgements and estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of certain assets, liabilities, revenues and expenses, and disclosures 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 may involve 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.

There is no accounting policy that is deemed critical to the Company's results and financial position, in terms of the materiality of the items to which the policy is applied, and there are no key sources of estimation of uncertainty.

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 in the near future, after settlement of taxation and payment of a dividend. Under this basis of accounting assets are stated at their estimated realisable value and liabilities are stated at their estimated settlement value.

Adoption of new accounting standards

There were no new accounting standards/amendments to standards effective for annual periods beginning 1 January 2022 apart from minor amendments to IFRSs through both standalone amendments and through the Annual Improvements to IFRS Standards 2018 – 2020 cycle. None of these had a significant impact on reported results or disclosures.

The Company has not early adopted any standard or amendment that has been issued but is not yet effective.

1.4. Income tax

Income tax comprises current 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 financial year using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous financial years.

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.

Notes to the financial statements

1. Accounting policies

1.5. Financial assets

Recognition and initial measurement

The Company initially recognises financial instruments on the trade date, being the date on which the Company commits to purchase the assets. Loan assets are recognised when cash is advanced to borrowers.

Classification and subsequent measurement

On initial recognition, a financial asset is classified and subsequently measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL').

The classification and subsequent measurement of financial assets depend on:

- The Company's business model for managing the asset; and
- The cash flow characteristics of the asset (for assets in a 'hold-to-collect' or 'hold-to-collect-and-sell' business model).

Based on these factors, the Company classifies its financial assets into the following category:

– Amortised cost

Assets that have not been designated as at FVTPL, and are held within a 'hold-to-collect' business model whose objective is to hold assets to collect contractual cash flows; and whose contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest ('SPPI'). The carrying amount of these assets is calculated using the effective interest rate method and is adjusted on each measurement date by the expected credit loss allowance for each asset, with movements recognised in profit or loss.

Business model assessment

The Company makes an assessment of the objective of the business model at a portfolio level, as this reflects how portfolios of assets are managed to achieve a particular objective, rather than management's intentions for individual assets.

The assessment considers the following:

- The strategy for the portfolio as communicated by management;
- How the performance of the portfolio is evaluated and reported to senior management; and
- The risks that impact the performance of the business model, and how those risks are managed.

Characteristics of the contractual cash flows

An assessment ('SPPI test') is performed on all financial assets at origination that are held within a 'hold-to-collect' or 'hold-to-collect-and-sell' business model to determine whether the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

Due from Group undertakings

Amounts due from Group undertakings are classified as financial assets measured at amortised cost and are recognised and measured accordingly. They are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

1.6. Financial liabilities

The Company categorises financial liabilities as at amortised cost or as at fair value through profit or loss. The Company recognises a financial liability when it becomes party to the contractual provisions of the contract.

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.

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 Company 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 and loss.

Due to Group undertakings

Amounts due to Group undertakings are classified as financial liabilities at amortised cost and are recognised and measured accordingly.

Notes to the financial statements

1. Accounting policies

1.7. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss. Relevant costs incurred with the disposal of a financial asset are deducted in computing the gain or loss on disposal.

The write-off of a financial asset constitutes a derecognition event. Where a financial asset is partially written off, and the portion written off comprises specifically identified cash flows, this will constitute a derecognition event for that part written off.

1.8. Impairment of financial assets

The Company recognises loss allowances for expected credit losses at each balance sheet date for the following financial instrument category that is not measured at FVTPL:

- Financial assets at amortised cost.

ECLs are the weighted average of credit losses. When measuring expected credit losses ('ECLs'), the Company takes into account:

- Probability-weighted outcomes;
- The time value of money so that ECLs are discounted to the reporting date; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Financial assets at amortised cost were assessed for an ECL at 31 December 2022 and 2021. The ECL amounted to nil (2021: nil).

1.9. Shareholders' equity

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 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.

Revenue reserves

Revenue reserves represent retained earnings of the Company.

1.10. Cash and cash equivalents

For the purposes of the cash flow statements, cash comprises cash on hand 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.

1.11. Prospective accounting changes

There are no new standards and amendments to existing standards which have been approved by the IASB, but not early adopted by the Company, that will impact the Company's financial reporting in future periods.

Notes to the financial statements

2. Operating expenses

	2022 £000	2021 £000
General and administrative expenses	(121)	—
	(121)	—

The total number of persons employed by the Company during the year was nil (2021: nil).

Directors' fees

None of the Directors received any fees or other emoluments in respect of either financial year. The Company was administered on behalf of its Directors by AIB.

3. Auditor's remuneration

Remuneration payable to the Company's auditor (Deloitte Ireland LLP) for services relating to the audit of the Company's financial statements is borne by AIB. No tax assurance, other assurance or advisory fees were paid to the external auditor.

4. Taxation

	2022 £'000	2021 £'000
Current tax		
Current tax on income for the year	(1)	(1)
Total tax charge for the year	(1)	(1)

Factors affecting the effective tax rate

The tax charge for the year is higher (2021: higher) than the standard average rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022 £'000	2021 £'000
Profit before taxation	121	—
Tax charge at standard corporation tax rate in the UK of 19% (2021: 19%)	(23)	—
<i>Effects of:</i>		
Expense credit not included in tax	23	—
Transfer pricing adjustment	(1)	(1)
Tax charge	(1)	(1)

5. Cash and cash equivalents

	2022 £'000	2021 £'000
Funds placed with Allied Irish Banks, p.l.c	76	77
	76	77

Funds placed with AIB earn interest at market rates.

Notes to the financial statements

6. Amounts due from Group undertakings

	2022	2021
	£'000	£'000
Funds due from Group undertaking	663	663
	663	663

Amounts due from Group undertakings are non-interest bearing and repayable on demand. These loans were assessed for an ECL at 31 December 2022 and 2021. It was determined that the ECL on the intercompany loans at 31 December 2022 was £nil (2021: £nil), as the Directors expect to fully recover the amounts owed from the Group entity.

7. Amounts due to Group undertakings

	2022	2021
	£'000	£'000
Funds due to Group undertaking	1	121
	1	121

Amounts due to Group undertaking are repayable on demand and non-interest bearing.

8. Called up share capital

	2022		2021	
	Number of shares	£'000	Number of shares	£'000
Authorised:				
Ordinary shares of £0.01 each	8,467,582,176	84,676	8,467,582,176	84,676
Issued and fully paid:				
Ordinary shares of £0.01 each	200	—	8,467,582,176	84,676

	2022	2021
	£'000	£'000
Movements in issued share capital		
At 1 January	84,676	84,676
Capital reduction	(84,676)	—
At 31 December	—	84,676

Capital reduction

On 13 July 2022, the Directors approved a capital reduction, in accordance with the Companies Act 2006.

The approved capital reduction involved:

- the cancellation of 8,467,581,976 issued shares of £0.01 each, reducing issued share capital by £84,675,820 to £2;
- the reduction of the Company's share premium account of £66,486,905 to nil; and
- the transfer of £151,162,725 to distributable revenue reserves from the cancellations outlined above.

Notes to the financial statements

9. Risk management

Risk taking is inherent in the provision of financial services and the Company, as part of AIB, 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 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.

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 risk assessment process and which are relevant to the Company.

- 9.1 Credit risk
- 9.2 Liquidity risk
- 9.3 Operational risk
- 9.4 Non-trading interest rate risk

The 4 applicable risk types are discussed below.

9.1 Credit risk

Credit risk is defined as the risk that the Company will incur losses as a result of a customer or counterparty being unable or unwilling to meet their contractual obligations. The table below sets out the maximum exposure to credit risk that arises within the Company.

	2022	2021
	£'000	£'000
Cash and cash equivalents	76	77
Amounts due from Group undertakings	663	663
Maximum exposure to credit risk	739	740

Amounts due from Group undertakings are non-interest bearing and repayable on demand. These loans were assessed for an ECL at 31 December 2022 and 2021. It was determined that the ECL on the intercompany loans at 31 December 2022 was £nil (2021: £nil), as the Directors expect to fully recover the amounts owed from the Group entity. The staging of the intercompany loans was also assessed at 31 December 2022 and 2021. The loans were classified as Stage 1 at 31 December 2022 (2021: Stage 1).

9.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to fund its assets and meet its payment obligations as they fall due, without incurring unacceptable costs or losses. 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 liquidity management. This includes the risk identification and assessment, risk management and mitigation, and risk monitoring and reporting processes.

The following table analyses, on an undiscounted basis, financial liabilities by remaining contractual maturity at 31 December 2022 and 2021:

	2022		2021	
	Repayable on demand	Total	Repayable on demand	Total
	£'000	£'000	£'000	£'000
Amounts due to Group undertakings	1	1	121	121
	1	1	121	121

Notes to the financial statements

9. Risk management (continued)

9.3 Operational risk

Operational risk is the risk arising 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 AIB that assist and advise line management on specific operational risks. Examples include money laundering prevention, compliance, business continuity planning, information security and insurance.

9.4 Interest rate risk

The interest rate sensitivity analysis for the Company as at 31 December 2022 and 31 December 2021 is illustrated in the following tables:

							2022
	0<3 months	3<6 months	6<12 months	1<5yrs	5+ years	Non- interest bearing	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Assets							
Cash and cash equivalents	76	—	—	—	—	—	76
Amounts due from Group undertakings	—	—	—	—	—	663	663
Other assets	—	—	—	—	—	1	1
Total assets	76	—	—	—	—	664	740
Liabilities							
Amounts due to Group undertakings	—	—	—	—	—	1	1
Shareholders' equity	—	—	—	—	—	739	739
Total liabilities and shareholders' equity	—	—	—	—	—	740	740
Interest rate sensitivity gap	76	—	—	—	—	(76)	
Cumulative interest sensitivity gap	76	76	76	76	76	—	

Notes to the financial statements

9. Risk management (continued)

9.4 Interest rate risk (continued)

							2021
	0<3 months	3<6 months	6<12 months	1<5yrs	5+ years	Non- interest bearing	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Assets							
Cash and cash equivalents	77	—	—	—	—	—	77
Amounts due from Group undertakings	—	—	—	—	—	663	663
Other assets	—	—	—	—	—	1	1
Total assets	77	—	—	—	—	664	741
Liabilities							
Amounts due to Group undertakings	—	—	—	—	—	121	121
Other liabilities	—	—	—	—	—	1	1
Shareholders' equity	—	—	—	—	—	619	619
Total liabilities and shareholders' equity	—	—	—	—	—	741	741
Interest rate sensitivity gap	77	—	—	—	—	(77)	
Cumulative interest sensitivity gap	77	77	77	77	77	—	

Notes to the financial statements

10. Classification and measurement of financial assets and financial liabilities

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The accounting policy for financial assets in note 1.5 and financial liabilities in note 1.6, describes how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised.

The following table analyses the carrying amounts of the financial assets and financial liabilities by measurement category and by statement of financial position heading at 31 December 2022 and 2021.

	2022	
	At amortised cost	Total
	£'000	£'000
Financial assets		
Cash and cash equivalents	76	76
Amounts due from Group undertakings	663	663
	739	739
Financial liabilities		
Amounts due to Group undertakings	1	1
	1	1
	2021	
	At amortised cost	Total
	£'000	£'000
Financial assets		
Cash and cash equivalents	77	77
Amounts due from Group undertakings	663	663
	740	740
Financial liabilities		
Amounts due to Group undertakings	121	121
Other financial liabilities	1	1
	122	122

Notes to the financial statements

11. Fair value of financial instruments

The term "financial instrument" 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.

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 of financial instruments are measured according to the following fair value hierarchy that reflects the observability of significant market inputs:

Level 1 - financial assets and liabilities measured using quoted market prices from an active market (unadjusted).

Level 2 - financial assets and liabilities measured using valuation techniques which use quoted market prices from an active market or measured using quoted market prices unadjusted from an inactive market.

Level 3 - financial assets and liabilities measured using valuation techniques which use unobservable market data.

All financial instruments are initially recognised at fair value.

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.

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 methods used for calculation of fair value in the year to 31 December 2022 are as follows:

Amounts due from Group undertakings and to Group undertakings

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

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 2022 and 31 December 2021:

		2022			
	Carrying amount	Fair value			
		Fair value hierarchy			Total
		Level 1	Level 2	Level 3	
	£'000	£'000	£'000	£'000	£'000
Financial assets not measured at fair value					
Cash and cash equivalents*	76	76	—	—	76
Amounts due from Group undertakings	663	—	—	663	663
	739	76	—	663	739
Financial liabilities not measured at fair value					
Amounts due to Group undertakings	1	—	—	1	1
	1	—	—	1	1

*Comprises cash on hand

Notes to the financial statements

11. Fair value of financial instruments (continued)

		2021			
	Carrying amount	Fair value			
		Fair value hierarchy			Total
		Level 1	Level 2	Level 3	
	£'000	£'000	£'000	£'000	£'000
Financial assets not measured at fair value					
Cash and cash equivalents*	77	77	—	—	77
Amounts due from Group undertakings	663	—	—	663	663
	740	77	—	663	740
Financial liabilities not measured at fair value					
Amounts due to Group undertakings	121	—	—	121	121
Other financial liabilities	1	—	—	1	1
	122	—	—	122	122

*Comprises cash on hand

12. Related party transactions

The Company has related party relationships with AIB and other AIB entities. The table below provides the balances that the Company has with AIB and other AIB entities:

	2022		2021	
	AIB	Fellow subsidiaries	AIB	Fellow subsidiaries
	£'000	£'000	£'000	£'000
Statement of financial position				
Cash and cash equivalents	76	—	77	—
Amounts due from Group undertakings	663	—	663	—
Amounts due to Group undertakings	—	(1)	—	(121)

Compensation of key management personnel

In the Company, key management personnel ('KMP') comprises of the Directors of the Company. The Company is a subsidiary of AIB. The time and costs of executives and other staff who are primarily employed by AIB are not specifically recharged. The emoluments of the Directors are met by AIB. They do not receive remuneration for services provided to the Company.

Transactions with key management personnel

There were no transactions between the Company and KMP during the financial years ended 31 December 2022 and 2021.

13. Capital resources

The Company's capital consists of equity comprising issued share capital, share premium and retained earnings. The Company is a member of the AIB Group of companies which has regulatory disciplines over the use of capital. The Company is governed by AIB's policy to maintain a strong capital base. It is not separately regulated.

Notes to the financial statements

14. Ultimate controlling party

The immediate parent company is Allied Irish Banks p.l.c. ('AIB'), a company registered in the Republic of Ireland. This is the smallest group in which the financial statements of the Company are consolidated.

AIB Group plc, a company registered in the Republic of Ireland is the ultimate parent company and ultimate controlling party of AIB Asset Management Holdings Limited.

The ultimate parent company is the largest group, of which AIB Asset Management Holdings Limited is a member, for which consolidated accounts are prepared. The financial statements of AIB and AIB Group plc are available from its registered address at AIB Group plc, 10 Molesworth Street, Dublin 2. Alternatively, information can be viewed by accessing AIB's website at www.aib.ie/investorrelations.

15. Non-adjusting events after reporting period

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