

ALIE STREET INVESTMENTS 12 LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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ALIE STREET INVESTMENTS 12 LIMITED

COMPANY INFORMATION

DIRECTORS	C. H. Hand L. B. Lee P. J. Wood
COMPANY SECRETARY	Merrill Lynch Corporate Services Limited
REGISTERED NUMBER	5460796
REGISTERED OFFICE	2 King Edward Street London EC1A 1HQ
INDEPENDENT AUDITORS	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 7 More London Riverside London SE1 2RT

ALIE STREET INVESTMENTS 12 LIMITED

CONTENTS

	Page(s)
Strategic Report	1
Directors' Report	2 - 3
Independent Auditors' Report	4 - 6
Statement of Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Equity	9 - 10
Notes to the Financial Statements	11 - 17

ALIE STREET INVESTMENTS 12 LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their Strategic Report for Alie Street Investments 12 Limited (the "Company") for the year ended 31 December 2016.

BUSINESS REVIEW

The Company is a wholly owned subsidiary of Bank of America Merrill Lynch International Limited ("BAMLI") and the ultimate parent is Bank of America Corporation ("BAC").

The Company is engaged in asset backed lending. No loans are currently held.

There have been no changes in the principal activities of the Company during the year and the directors expect the principal activities will continue in 2017.

The Company receives a service fee from BAMLI for the provision of operational support in relation to trading of the financial instruments under a service level agreement entered into with BAMLI. Under the same agreement, the Company pays BAMLI for management and other services performed on its behalf.

PRINCIPAL RISKS AND UNCERTAINTIES

Legal entity governance is built on the BAC comprehensive approach to risk management. BAC's risk management objectives and policies are described in the notes to the financial statements. The notes also describe the Company's applicable exposures in relation to the seven key risk types (market, credit, operational, liquidity, reputational, strategic) and compliance, (see note 10).

FINANCIAL KEY PERFORMANCE INDICATORS

The profit for the financial year amounted to \$6,000 (2015: \$6,000).

BAC manages its operations on a divisional basis. For this reason, the Company's directors believe that further key business performance indicators for the Company are not necessary.

This report was approved by the board on 6 June 2017 and signed on its behalf.



P. J. Wood
Director

ALIE STREET INVESTMENTS 12 LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their report and the audited financial statements for the year ended 31 December 2016.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report, the Directors' Report and the audited financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare audited financial statements for each financial year. Under that law the directors have elected to prepare the audited financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under Company law the directors must not approve the audited 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 audited financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the audited 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 audited 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.

RESULTS AND DIVIDENDS

The profit for the financial year, amounted to \$6,000 (2015: \$6,000).

The directors do not recommend the payment of a dividend for the year ended 31 December 2016 (2015: \$nil).

DIRECTORS

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

C. H. Hand
L. B. Lee
P. J. Wood

ALIE STREET INVESTMENTS 12 LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

DIRECTORS' THIRD PARTY INDEMNITY PROVISIONS

The directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force.

MATTERS COVERED IN THE STRATEGIC REPORT

Details regarding a review of the business, including future developments, principal risks and uncertainties are provided in the Strategic Report on page 1.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who is a director at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This report was approved by the board on 6 June 2017 and signed on its behalf.



P. J. Wood
Director

ALIE STREET INVESTMENTS 12 LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALIE STREET INVESTMENTS 12 LIMITED

REPORT ON THE FINANCIAL STATEMENTS

Our opinion

In our opinion, Alie Street Investments 12 Limited's financial statements ("the financial statements"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the Statement of Financial Position as at 31 December 2016;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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 addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

ALIE STREET INVESTMENTS 12 LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALIE STREET INVESTMENTS 12 LIMITED

OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on Page 2, 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) ("ISAs (UK and Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

ALIE STREET INVESTMENTS 12 LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALIE STREET INVESTMENTS 12 LIMITED

What an audit of financial statements involves

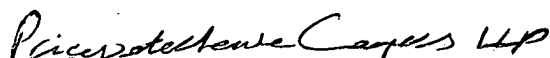
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



Simon White (Senior Statutory Auditor)

for and on behalf of
PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

7 More London Riverside
London
SE1 2RT

6 June 2017

ALIE STREET INVESTMENTS 12 LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 \$	2015 \$
Turnover	3	18,000	18,000
Administrative expenses		(12,000)	(12,000)
Profit before taxation		6,000	6,000
Tax on profit	6	-	-
Profit for the financial year		6,000	6,000
Total comprehensive income for the year		6,000	6,000

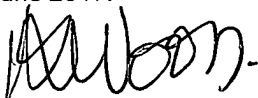
The notes on pages 11 to 17 form part of these financial statements.

ALIE STREET INVESTMENTS 12 LIMITED
REGISTERED NUMBER:5460796

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	\$	2016 \$	\$	2015 \$
Current assets					
Debtors		64,900		62,350	
Creditors: amounts falling due within one year	8	-		(3,450)	
Net current assets			64,900		58,900
Total assets less current liabilities			64,900		58,900
Net assets			64,900		58,900
Capital and reserves					
Called up share capital	9		100		100
Profit and loss account			64,800		58,800
Total equity			64,900		58,900

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 6 June 2017.


P. J. Wood
Director

The notes on pages 11 to 17 form part of these financial statements.

ALIE STREET INVESTMENTS 12 LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital	Profit and loss account	Total equity
	\$	\$	\$
At 1 January 2016	100	58,800	58,900
Comprehensive income for the year			
Profit for the financial year	-	6,000	6,000
At 31 December 2016	100	64,800	64,900

ALIE STREET INVESTMENTS 12 LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Called up share capital	Profit and loss account	Total equity
	\$	\$	\$
At 1 January 2015	100	52,800	52,900
Comprehensive income for the year			
Profit for the financial year	-	6,000	6,000
At 31 December 2015	100	58,800	58,900

The notes on pages 11 to 17 form part of these financial statements.

ALIE STREET INVESTMENTS 12 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. ACCOUNTING POLICIES

The principal accounting policies, which have been applied consistently throughout the current and prior year, are set out below.

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with Companies Act 2006, FRS 100 - Application of Financial Reporting Requirements and FRS 101 - Reduced Disclosure Framework.

FRS 100 and FRS 101 set out the disclosure exemptions for the individual financial statements of entities that otherwise apply the recognition, measurement and disclosure requirements of International Financial Reporting Standards that have been adopted in the European Union ("EU adopted IFRS"). References to accounting standards in these financial statements will accordingly relate to applicable International Financial Reporting Standards ("IFRS") and International Accounting Standards ("IAS").

The financial statements have been prepared under the historic cost convention and in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

1.2 NEW AND AMENDED STANDARDS ADOPTED BY THE COMPANY

There are no FRS 101 standards or interpretations that are effective for the first time for the financial year beginning on 1 January 2016 that have had a material impact on the Company.

ALIE STREET INVESTMENTS 12 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. ACCOUNTING POLICIES (continued)

1.3 FINANCIAL REPORTING STANDARD 101 - REDUCED DISCLOSURE EXEMPTIONS

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

1.4 INCORPORATION AND DOMICILE INFORMATION

The Company is a private limited company and is incorporated and domiciled in the United Kingdom.

1.5 GOING CONCERN

The directors have a reasonable expectation, based on current and anticipated future performance, that the Company will continue in operational existence for the foreseeable future. The financial statements have, therefore, been prepared on a going concern basis.

1.6 TURNOVER

Revenue consists of service fees earned. Service fees earned are calculated in accordance with a service level agreement between the Company and BAMLI. The service fees are accounted for on an accruals basis.

1.7 FOREIGN CURRENCIES

The financial statements have been presented in US dollars which is the Company's functional currency

Transactions in foreign currencies are translated into US dollars at the rate ruling on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into US dollars at rates of exchange ruling at the balance sheet date. Exchange gains and losses are recognised in the Statement of Comprehensive Income.

ALIE STREET INVESTMENTS 12 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. ACCOUNTING POLICIES (continued)

1.8 CURRENT TAXATION

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds, respectively.

Current tax, including UK corporation tax and foreign taxes, is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

1.9 FINANCIAL INSTRUMENTS

Management determines the classification of the Company's financial instruments at initial recognition.

The Company classifies its financial assets as loans and receivables. Loans and receivables are initially recognised at fair value including any premiums, and are subsequently carried at amortised cost using the effective interest method less an allowance for any impairment.

Financial liabilities are carried at amortised cost, using the effective interest method.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The directors consider that there are no significant areas of judgement or accounting estimates that could have a material impact on the financial statements.

3. TURNOVER

The whole of the turnover is attributable to one principal business activity comprising Global Markets Credit Products. Turnover consists of service fees receivable from BAMLI.

All turnover arose within the United Kingdom.

ALIE STREET INVESTMENTS 12 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

4. AUDITORS' REMUNERATION

The company paid the following amounts to its auditors in respect of the audit of the financial statements and for other services provided to the Company:

	2016	2015
	\$	\$
Fees payable to the Company's auditors for the audit of the Company's financial statements	12,054	9,989

Audit fees are paid by an affiliated company which makes no recharge to the Company.

5. EMPLOYEES

The Company has no employees (2015: nil) other than the directors, who did not receive any remuneration for their services to the Company (2015: \$nil).

6. TAX ON PROFIT

	2016	2015
	\$	\$
Corporation tax		
UK corporation tax on profits of the year	-	-

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax on the Company's profit before tax differs from the amount that would arise using the tax rate applicable as follows:

	2016	2015
	\$	\$
Profit before taxation	6,000	6,000
Profit multiplied by standard rate of corporation tax in the UK of 20.00% (2015: 20.25%)	1,200	1,215
EFFECTS OF:		
Group relief	(1,200)	(1,215)
TOTAL TAX CHARGE FOR THE YEAR	-	-

ALIE STREET INVESTMENTS 12 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

7. DEBTORS

	2016	2015
	\$	\$
Due within one year		
Amounts owed by affiliated companies	64,900	62,350

Amounts owed by affiliated companies are unsecured, interest free and have no fixed date of repayment.

8. CREDITORS: amounts falling due within one year

	2016	2015
	\$	\$
Amounts owed to affiliated companies	-	3,450

Amounts owed to affiliated companies are unsecured, interest free and have no fixed date of repayment.

9. CALLED UP SHARE CAPITAL

	2016	2015
	\$	\$
Allotted, called up and fully paid		
100 (2015:100) Ordinary shares of \$1 each	100	100

ALIE STREET INVESTMENTS 12 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

10. RISK MANAGEMENT

Legal entity governance

BAC has established a risk governance framework (the "Risk Framework") which serves as the foundation for consistent and effective management of risks facing BAC and its subsidiaries (including the Company). The Risk Framework applies to all the employees. It provides an understanding of the Company's approach to risk management and each employee's responsibilities for managing risk. All employees must take ownership for managing risk well and are accountable for identifying, escalating and debating risks facing the Company. The following are the five components of the Company's risk management approach:

- Risk culture;
- Risk appetite;
- Risk governance;
- Risk reporting; and,
- Risk management processes.

The seven key types of risk faced by BAC Businesses as defined in the Risk Framework are market, credit, operational, liquidity, reputational, strategic and compliance risks.

Set out below is a summary of the Company's approach to its key risk types.

Credit risk

The Company defines credit risk as the loss arising from the inability or failure of a borrower, issuer or counterparty (collectively "counterparty") to meet its obligations. Credit risk can also arise from operational failures that result in an erroneous advance, commitment or investment of funds. The credit exposure to a counterparty is defined as the potential loss arising from all product classifications including loans and leases, derivatives, other extensions of credit.

BAC has established policies and procedures for mitigating credit risk on principal transactions, including establishing and reviewing limits for credit exposure, maintaining collateral, purchasing credit protection and continually assessing the creditworthiness of counterparties.

The only source of credit risk for the Company is derived from the recovery of certain management fees from the immediate parent company, BAMLI which has a long-term senior credit rating of "A" (Standard & Poor's) and "A" (Fitch).

Liquidity risk

Liquidity risk is the potential inability to meet contractual and contingent financial obligations, both on or off balance sheet, as they come due. Liquidity risk relates to the ability of an entity to repay short-term borrowings with new borrowings or assets that can be quickly converted into cash while meeting other obligations and continuing to operate as a going concern. The Company maintains intercompany relationships with affiliates to provide funding for its activities as required.

11. RELATED PARTY TRANSACTIONS

As detailed in note 1.3, the Company has elected to take advantage of the exemption available under FRS 101 for the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group.

Management consider key management personnel to be represented by the Board of directors of the Company. Details of the employee cost including remuneration of the directors are referenced in note 5.

ALIE STREET INVESTMENTS 12 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

12. CONTROLLING PARTY

The Company's immediate parent is BAMLI, a company incorporated in the United Kingdom, and the ultimate parent company and controlling party is BAC which is organised and existing in the State of Delaware in the United States of America ("U.S.A").

The parent company of the largest and smallest group that includes the Company and for which group financial statements are prepared is that of BAC. Copies of BAC's financial statements can be obtained from either of the following website locations: <http://investor.bankofamerica.com> or www.sec.gov/.