

Registered number: 5745792

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**ALIE STREET INVESTMENTS 24 LIMITED**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2014**

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**ALIE STREET INVESTMENTS 24 LIMITED**

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**COMPANY INFORMATION**

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**DIRECTORS**

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

**COMPANY SECRETARY**

Merrill Lynch Corporate Services Limited

**REGISTERED NUMBER**

5745792

**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

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**ALIE STREET INVESTMENTS 24 LIMITED**

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## **ALIE STREET INVESTMENTS 24 LIMITED**

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### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2014**

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#### **INTRODUCTION**

The directors present their strategic report for Alie Street Investments 24 Limited (the "Company") for the year ended 31 December 2014.

#### **BUSINESS REVIEW**

The Company is a wholly owned subsidiary of Bank of America Merrill Lynch International Limited 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 2015.

The Company receives a 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 risks), see note 10.

#### **FINANCIAL KEY PERFORMANCE INDICATORS**

The profit for the year, after taxation, amounted to \$6,000 (2013: \$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 18 May 2015 and signed on its behalf.



P. J. Wood  
Director

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## **ALIE STREET INVESTMENTS 24 LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014**

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The directors present their report and the financial statements for the year ended 31 December 2014.

#### **DIRECTORS' RESPONSIBILITIES STATEMENT**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

#### **RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to \$6,000 (2013: \$6,000).

The directors do not recommend the payment of a dividend for the year ended 31 December 2014 (2013: \$nil).

#### **DIRECTORS**

The directors who served during the year were:

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

#### **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.

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**ALIE STREET INVESTMENTS 24 LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2014**

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**DISCLOSURE OF INFORMATION TO AUDITORS**

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Each of the persons who are directors 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 18 May 2015 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'P. J. Wood', is written over the printed name.

P. J. Wood  
Director

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## **ALIE STREET INVESTMENTS 24 LIMITED**

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### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALIE STREET INVESTMENTS 24 LIMITED**

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#### **REPORT ON THE FINANCIAL STATEMENTS**

##### **Our opinion**

In our opinion, Alie Street Investments 24 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 2014 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**

Alie Street Investments 24 Limited's financial statements comprise:

- the Balance Sheet as at 31 December 2014;
- the Profit and Loss Account 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 their preparation is applicable law and United Kingdom Accounting Standards (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.

#### **OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

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

#### **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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALIE STREET INVESTMENTS 24 LIMITED**

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**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 the 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.

**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 combinations of both.

In addition, we read all the financial and non-financial information in the Directors' Report and Financial Statements 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.



Lawrence Wilkinson (Senior Statutory Auditor)

for and on behalf of

**PricewaterhouseCoopers LLP**

Chartered Accountants and Statutory Auditors

7 More London Riverside  
London  
SE1 2RT

18 May 2015



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**ALIE STREET INVESTMENTS 24 LIMITED**

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**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2014**

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	Note	2014 \$	2013 \$
<b>TURNOVER</b>	2	<b>18,000</b>	18,000
Operating expenses		<b>(12,000)</b>	(12,000)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	3	<b>6,000</b>	6,000
Tax on profit on ordinary activities	5	-	-
<b>PROFIT FOR THE FINANCIAL YEAR</b>	8	<b>6,000</b>	6,000

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and Loss Account.

There are no material differences between the profit on ordinary activities before taxation and the retained profit for the financial year stated above and their historical cost equivalents.

The notes on pages 8 to 11 form part of these financial statements.

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**ALIE STREET INVESTMENTS 24 LIMITED**  
**REGISTERED NUMBER: 5745792**

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**BALANCE SHEET**  
**AS AT 31 DECEMBER 2014**

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	Note	2014 \$	2013 \$
<b>CURRENT ASSETS</b>			
Debtors	6	83,850	77,850
<b>NET ASSETS</b>		<u>83,850</u>	<u>77,850</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	7	100	100
Profit and loss account	8	83,750	77,750
<b>SHAREHOLDER'S FUNDS</b>	9	<u>83,850</u>	<u>77,850</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18 May 2015.



P. J. Wood  
Director

The notes on pages 8 to 11 form part of these financial statements.

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**ALIE STREET INVESTMENTS 24 LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

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**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 the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The financial statements have been prepared under the historical cost convention, as modified to include at fair value.

The Company does not maintain historical cost information on items at fair value as this is not relevant to the operation of the business.

**1.2 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 of the Company have, therefore, been prepared on a going concern basis.

**1.3 Cash flow**

The Company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the BAC group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with Financial Reporting Standard 1 (Revised 1996) Cash Flow Statements.

**1.4 Turnover**

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

**1.5 Foreign currencies**

The financial statements are presented in US dollars which is the Company's functional currency.

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

Monetary assets and liabilities denominated in foreign currencies are translated into dollars at rates of exchange ruling at the balance sheet date.

Exchange gains and losses are recognised in the Profit and Loss Account.

**1.6 Current taxation**

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.

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**ALIE STREET INVESTMENTS 24 LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

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**2. 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.

**3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

Statutory auditors' fees of \$10,399 for the year ended 31 December 2014 (2013: \$10,389) are borne by another group undertaking.

**4. STAFF COSTS**

The Company has no employees other than the directors, who did not receive any remuneration for their services to the Company (2013: \$nil).

**5. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	2014 \$	2013 \$
UK corporation tax charge on profit for the year	-	-

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2013 - lower than) the standard rate of corporation tax in the UK of 21.49% (2013 - 23.25%). The differences are explained below:

	2014 \$	2013 \$
Profit on ordinary activities before tax	6,000	6,000
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.49% (2013 - 23.25%)	1,289	1,395
<b>Effects of:</b>		
Group relief	(1,289)	(1,395)
<b>Current tax charge for the year (see note above)</b>	-	-

**6. DEBTORS**

	2014 \$	2013 \$
Amounts owed by group undertakings	83,850	77,850

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**ALIE STREET INVESTMENTS 24 LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

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**7. CALLED UP SHARE CAPITAL**

	2014 \$	2013 \$
<b>Allotted, called up and fully paid</b>		
100 Ordinary shares of \$1 each	<u>100</u>	<u>100</u>

**8. RESERVES**

	Profit and loss account \$
At 1 January 2014	77,750
Profit for the financial year	6,000
	<u>83,750</u>
At 31 December 2014	<u>83,750</u>

**9. RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS**

	2014 \$	2013 \$
Opening shareholder's funds	77,850	71,850
Profit for the financial year	6,000	6,000
	<u>83,850</u>	<u>77,850</u>
Closing shareholder's funds	<u>83,850</u>	<u>77,850</u>

**10. RISK MANAGEMENT****Legal entity governance**

Legal entity governance is built on the BAC approach to risk management as documented in the BAC risk framework. BAC takes a comprehensive approach to risk management, integrating it with strategic, capital and financial operating plans. BAC manages risk systematically, with a focus on BAC as a whole and by business, Governance and Control Functions ("GCFs"), geography, legal entity and / or branch (where appropriate), product, service and transactions.

The risk management approach has five components:

- 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.

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**ALIE STREET INVESTMENTS 24 LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

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**10. RISK MANAGEMENT (continued)****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.

**11. RELATED PARTY TRANSACTIONS**

The Company has taken advantage of the exemption from related party disclosures available in Paragraph 3(c) of Financial Reporting Standard 8 - Related Party Disclosures, as both the Company and the related parties are wholly owned subsidiaries and the consolidated financial statements of the ultimate parent company are publicly available as noted below.

There were no related party transactions other than those with affiliated companies covered by the exemption noted above.

**12. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

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

The largest group into which the Company's financial statements are consolidated is that of BAC. Copies of BAC's consolidated financial statements can be obtained from the Corporate Secretary's office, 214 North Tryon Street, Charlotte, North Carolina, 28202, U.S.A.

The smallest group into which the Company's financial statements are consolidated is that of BAMLI. Copies of the group financial statements of BAMLI are available from the Company Secretary, 2 King Edward Street, London, EC1A 1HQ.