

# Aberco Limited

## DIRECTORS' REPORT AND ANNUAL FINANCIAL STATEMENTS For the year ended 31 December 2014

Registered in Northern Ireland: NI028331

COMPANIES HOUSE

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## **DIRECTORS AND OTHER INFORMATION**

### **DIRECTORS**

W G Hewitt  
P D Moore  
P J Gribbon

### **REGISTERED OFFICE**

92 Ann Street  
Belfast  
BT1 3HH

### **REGISTERED NUMBER**

NI028331

### **SECRETARY**

M Emerson

### **REGISTERED AUDITOR**

Deloitte  
Chartered Accountants and Statutory Audit Firm  
Hardwicke House  
Hatch Street  
Dublin 2  
Republic of Ireland

### **BANKERS**

First Trust Bank  
92 Ann Street  
Belfast  
BT1 3HH

## **DIRECTORS' REPORT**

The Directors present herewith their report and audited financial statements for the year ended 31 December 2014. A statement of Directors' responsibilities in relation to the financial statements appears on page 6.

The directors who held office at the date of approval of this report confirm that so far as they are each aware there is no relevant audit information of which the Company's auditor is unaware and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### **GOING CONCERN**

The financial statements for the year ended 31 December 2014 have been prepared on a going concern basis as the Directors are satisfied, having considered the risks and uncertainties impacting the Company, that it has the ability to continue in business for the period of assessment. The period of assessment used by the Directors is twelve months from the date of approval of these financial statements. The Company is dependent on its ultimate parent, Allied Irish Banks, p.l.c., (a company incorporated in the Republic of Ireland); for continued funding and is therefore dependent on the going concern of the parent.

In making its assessment, the Directors have considered a wide range of information relating to present and future conditions of the company including continuing availability of sufficient resources from the Group.

The Group financial statements for the year ended 31 December 2014 were prepared on a going concern basis.

### **CONCLUSION**

The Directors of the Group believe that it is appropriate to prepare the financial statements on a going concern basis having concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern over the period of assessment.

On that basis the Directors of the company consider that it is appropriate to prepare these financial statements on a going concern basis.

### **DIRECTORS**

The following Directors served during the year:

W G Hewitt  
P D Moore  
P J Gribbon  
G McGinn  
J J McGowan

In accordance with the articles of association none of the Directors retire by rotation.

### **SECRETARY**

M Emerson

Note:

The following resignations and appointments took place during the year:

G McGinn resigned as Company Director on 27 January 2014. P D Moore and P J Gribbon were appointed as Company Directors on 27 January 2014.

J J McGowan resigned as Company Director on 30 September 2014.

None of the Directors 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.

### **DIRECTORS' LOANS**

None of the Directors' received any loans from the Company.

### **BOOKS OF ACCOUNT**

The directors believe that they have complied with the requirements of the Companies Act 2006 with regard to books of account by allocating personnel with appropriate expertise and by providing adequate resources to the financial function. The books of account of the Company are maintained at AIB, Bankcentre, Ballsbridge, Dublin 4, Republic of Ireland. The Company Officers have made sufficient arrangements to ensure compliance with Section 388 of the Companies Act 2006.

## **DIRECTORS' REPORT (continued)**


### **DISCLOSURE OF INFORMATION TO AUDITORS**

The directors who held office at the date of approval of this report confirm that so far as they are each aware there is no relevant audit information of which the Company's auditor is unaware and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### **INDEPENDENT AUDITOR**

Deloitte, Chartered Accountants and Statutory Audit Firm, has expressed their willingness to continue in office under Section 485 of the Companies Act 2006.

By order of the Board



Director  
P.J. Gribbon

Date: 16/9/20

## STRATEGIC REPORT

### PRINCIPAL ACTIVITIES

The principal activity of Aberco Limited ("the Company") is that of a property holdings company. The Company is committed to leasing its investment property, and also subletting another property, to the parent company AIB Group (UK) p.l.c.

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### BUSINESS REVIEW

The results for the year are set out in the attached financial statements. The profit for the year, after taxation, amounted to £355,980 (2013: loss of £144,828). No dividends were paid or declared during the year (2013: nil).

### STRATEGY AND OUTLOOK

The directors consider the present level of activity to be satisfactory and expect that the level of the Company's activities will continue in the future.

### 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 20 to the financial statements.

### CAPITAL MANAGEMENT

The Company is dependent on the immediate parent company, AIB UK Group, for its capital and funding.

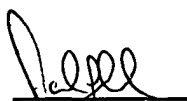
### POLITICAL AND CHARITABLE DONATIONS

The Company made no political or charitable contributions during the year (2013: £nil).

### POST BALANCE SHEET EVENTS

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:



Director  
P.J. Gribbon

Date: 16/9/2015

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

The following statement, which should be read in conjunction with the statement of Auditors' responsibilities set out with their Audit Report, is made with a view to distinguish for shareholders the respective responsibilities of the Directors and of the Auditor in relation to the financial statements.

The Directors are responsible for preparing 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 are required to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union ("EU") and as applied in accordance with the provisions of the Companies Act 2006.

The financial statements are required by law and IFRSs as adopted by the EU to present fairly the financial position and performance of the Company; the Companies Act 2006 provide in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

In preparing each of the financial statements, the Directors are required to:

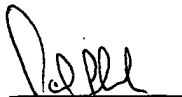
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state that the financial statements comply with IFRS as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are also responsible for taking such steps as are reasonably open to them to safeguard the assets of Company and to prevent and detect fraud and other irregularities.

The Directors are also responsible for preparing a Directors' Report that complies with the requirements of the Companies Act 2006.

The Directors that are listed on page 2 confirm, to the best of their knowledge and belief, that the financial statements, give a true and fair view, in accordance with IFRSs as adopted by the EU, of the state of the Company's affairs as at 31 December 2014 and of its results for the year then ended.

On behalf of the board

  
Director  
P.J. Gribbon

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABERCO LIMITED

We have audited the financial statements of Aberco Limited for the year ended 31 December 2014 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Shareholders Equity and the related notes 1 to 26. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the 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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABERCO LIMITED

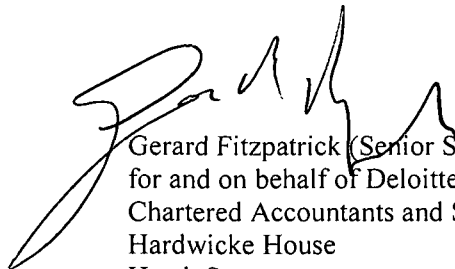
### **Opinion on other matter prescribed by the Companies Act 2006**

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

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Gerard Fitzpatrick (Senior Statutory Auditor)  
for and on behalf of Deloitte  
Chartered Accountants and Statutory Audit Firm  
Hardwicke House  
Hatch Street  
Dublin 2  
Republic of Ireland

Date: 16/9/2015

**INCOME STATEMENT**

For the year ended 31 December 2014

	Note	2014 £	2013 £
Revenue	2	1,394,771	1,386,718
Operating Expenses	3	(619,693)	(709,808)
Impairment of investment property	10	(288,713)	(1,391,699)
		486,365	(714,789)
Net finance income	4	30,029	36,238
<b>Profit/(loss) before taxation</b>		<b>516,394</b>	<b>(678,551)</b>
Taxation	7	(160,414)	533,723
<b>Profit/(loss) for the year</b>		<b>355,980</b>	<b>(144,828)</b>

The operating profit/(loss) arises from continuing operations.

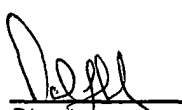
**STATEMENT OF COMPREHENSIVE INCOME**

For the year ended 31 December 2014

	Note	2014 £	2013 £
<b>Profit/(loss) for the year</b>		<b>355,980</b>	<b>(144,828)</b>
<b>Other Comprehensive income for the year, net of taxation</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive profit/(loss) for the year</b>		<b>355,980</b>	<b>(144,828)</b>

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

On behalf of the Board

  
 Director  
 P.J. Gribbon

Date: 16/9/2015

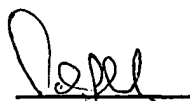
**STATEMENT OF FINANCIAL POSITION**

As at 31 December 2014

	Note	2014 £	2013 £
<b>Assets</b>			
Property, plant and equipment	9	32,637	40,613
Investment property	10	2,311,376	2,644,695
Trade and other receivables	11	6,433,915	5,763,073
<b>Total assets</b>		<b>8,777,928</b>	<b>8,448,381</b>
<b>Liabilities</b>			
Trade and other payables	13	8,272,026	8,272,026
Current taxation	14	378,822	390,769
Deferred taxation	8	102,463	116,949
<b>Total liabilities</b>		<b>8,753,311</b>	<b>8,779,744</b>
<b>Shareholders' equity</b>			
Ordinary share capital	15	2	2
Other reserves		23,373	23,373
Revenue reserves		1,242	(354,738)
<b>Total shareholders' equity</b>		<b>24,617</b>	<b>(331,363)</b>
<b>Total liabilities and shareholders' equity</b>		<b>8,777,928</b>	<b>8,448,381</b>

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

On behalf of the Board



Director  
P.J. Gribbon

Date: 16/1/2015

**STATEMENT OF CASH FLOWS**

For the Year Ended 31 December 2014

	Note	2014 £	2013 £
<b>Cash flows from operating activities</b>			
Profit/(loss) for the year		516,394	(678,551)
Allowance for impairment	10	288,713	1,391,699
Net finance costs	4	(30,029)	(36,238)
Depreciation	9	52,582	124,919
		827,660	801,829
<b>Changes in operating assets and liabilities</b>			
Change in prepayments and accrued income		-	27,085
<b>Net cash inflow from operating activities before interest and tax</b>		827,660	828,914
Interest received	4	70,939	77,149
<b>Net cash inflow from operating activities before taxation</b>		898,599	906,063
Taxation paid	7	(186,847)	-
<b>Net cash flows from operating activities</b>		711,752	906,063
<b>Net cash flow from investing activities</b>		-	-
Interest paid	4	(40,910)	(40,911)
<b>Net cash flows from financing activities</b>		(40,910)	(40,911)
<b>Change in cash and cash equivalents</b>		670,842	865,152
Cash and cash equivalents at 1 January		5,763,073	4,897,921
<b>Cash and cash equivalents at 31 December</b>		6,433,915	5,763,073

**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY****At 31 December 2014**

	Ordinary Share Capital £	Revenue Reserves £	Other Reserves £	Total Shareholders' Equity £
At 1 January 2014	2	(354,738)	23,373	(331,363)
Total comprehensive income for the period	-	355,980	-	355,980
At 31 December 2014	2	1,242	23,373	24,617

	Ordinary Share Capital £	Revenue Reserves £	Other Reserves £	Total Shareholders' Equity £
At 1 January 2013	2	(209,910)	23,373	(186,535)
Total comprehensive income for the period	-	(144,828)	-	(144,828)
At 31 December 2013	2	(354,738)	23,373	(331,363)

## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

The accounting policies that the Company applied in the preparation of the financial statements for the year ended 31 December 2014 are set out below.

#### 1.1 REPORTING ENTITY

Aberco Limited ("the Company") is domiciled in Northern Ireland and its registered office is 92 Ann Street, Belfast, BT1 3HH.

#### 1.2 STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with International Accounting Standards and International Financial Reporting Standards (collectively "IFRSs") as issued by the International Accounting Standards Board ("IASB") and International Financial Reporting Standards as adopted by the European Union ("EU") and applicable for the year ended 31 December 2014. The financial statements also comply with the Companies Act 2006. The accounting policies have been consistently applied by the Company and are consistent with the previous year, unless otherwise described.

#### 1.3 BASIS OF PREPARATION

##### *Functional and presentation currency*

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

##### *Accounting estimates and judgements*

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of certain assets, liabilities, revenues and expenses, and disclosure of contingent assets and liabilities. The estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Since management's judgement involves making estimates concerning the likelihood of future events, the actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

##### *Basis of Measurement*

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

##### *Going Concern*

The financial statements for the year ended 31 December 2014 have been prepared on a going concern basis as the Directors are satisfied, having considered the risks and uncertainties impacting the Company, that it has the ability to continue in business for the period of assessment. The period of assessment used by the Directors is twelve months from the date of approval of these financial statements. The Company is dependent on its ultimate parent, Allied Irish Banks, p.l.c., for continued funding and is therefore dependent on the going concern of the parent.

In making its assessment, the Directors have considered a wide range of information relating to present and future conditions of the company including continuing availability of sufficient resources from the Group.

The Group financial statements for the year ended 31 December 2014 were prepared on a going concern basis.

##### *Adoption of new accounting standards*

The following amendments to standards were adopted during the year ended 31 December 2014 but did not have any impact on the accounting policies, financial positioning or performance of the Company:

*Amendments to IAS 32 Financial Instruments: Presentation on Offsetting Financial Assets and Financial Liabilities*  
These amendments are effective from 1 January 2014. The amendments clarify that the right of set-off must be currently available and legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy.

Other amendments, resulting to improvements to IFRSs which the Company adopted in 2014, did not have any impact on the accounting policies, financial position or performance of the Company.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 1. ACCOUNTING POLICIES (continued)

#### 1.4 CASH AND CASH EQUIVALENTS

For the purposes of the cash flow statement, cash comprises of cash on hand and demand deposits, and cash equivalents comprise highly liquid investments that are convertible into cash with an insignificant risk of changes in value and with original maturities of less than three months.

#### 1.5 FOREIGN CURRENCIES TRANSLATION

Foreign currency transactions are translated into the company's functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are re-translated at the rate prevailing at the period end. Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-translation at period end exchange rates of the amortised cost of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Exchange differences on equities and similar non-monetary items held at fair value through profit or loss are reported as part of the fair value gain or loss.

#### 1.6 INCOME TAX, INCLUDING DEFERRED INCOME TAX

Income tax comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised in other comprehensive income, in which case it is recognised in other comprehensive income. Income tax relating to items in equity is recognised directly in equity.

Current tax is the expected tax payable on the taxable income for the year using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous years.

Deferred income tax is provided, using the financial statement liability method, on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax is determined using tax rates based on legislation enacted or substantively enacted at the reporting date and expected to apply when the deferred tax asset is realised or the deferred tax liability is settled. Deferred income tax assets are recognised when it is probable that future taxable profits will be available against which the temporary differences will be utilised. The deferred tax asset is reviewed at the end of each reporting period and the carrying amount is reduced to the extent that sufficient taxable profits will be available to allow all of the asset to be recovered.

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.

Deferred and current tax assets and liabilities are only offset when they arise in the same tax reporting group and where there is both the legal right and the intention to settle the current tax assets and liabilities on a net basis or to realise the asset and settle the liability simultaneously.

The principal temporary differences arise from depreciation of property, plant and equipment, revaluation of certain financial assets and financial liabilities including derivative contracts, provisions for pensions and other post-retirement benefits, and in relation to acquisitions, on the difference between the fair values of the net assets acquired and their tax base.

#### 1.7 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost, or deemed cost, less accumulated depreciation and provisions for impairment, if any. Additions and subsequent expenditures are capitalised only to the extent that they enhance the future economic benefits expected to be derived from the asset. No depreciation is provided on freehold land. Property, plant and equipment are depreciated on a straight line basis over their estimated useful economic lives. Depreciation is calculated based on the gross carrying amount, less the estimated residual value at the end of the assets' economic lives.

#### 1.8 TRADE AND OTHER RECEIVABLES

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

#### 1.9 TRADE AND OTHER PAYABLES

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

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**NOTES TO THE FINANCIAL STATEMENTS (continued)****1. ACCOUNTING POLICIES (continued)****1.10 SHARE CAPITAL**

Issued financial instruments, or their components, are classified as equity where there is no contractual obligation to transfer cash or other financial assets to the holder. They confer on the holder a residual interest in the assets of the Company.

**1.11 FINANCIAL LIABILITIES**

Issued financial instruments and their components are classified as liabilities where the substance of the contractual arrangement results in the Bank 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 with 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.

**1.12 NON-CREDIT RISK PROVISIONS**

Provisions are recognised for present legal or constructive obligations arising as consequences of past events where it is probable that a transfer of economic benefit will be necessary to settle the obligation, and it can be reliably estimated.

When the effect is material, provisions are determined by discounting expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

**1.13 IMPAIRMENT**

The carrying values of the company's assets are revised at each statement of financial position date to determine whether there is any indication of impairment. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset. Objective evidence that an investment in an equity security is impaired includes a significant or prolonged decline in its fair value below cost.

If any such indication exists, the cumulative net loss that had been previously recognised in other comprehensive income is recognised in the income statement as a reclassification adjustment. Reversals of impairment of equity securities are not recognised in the income statement and increases in the fair value of equity securities after impairment are recognised in other comprehensive income. See note 10.

**1.14 INVESTMENT PROPERTY**

Investment property is property held either to earn rental income or for capital appreciation or for both. Investment property is valued using the cost model. No depreciation is provided on freehold land. All freehold properties are depreciated over their estimated useful life, subject to a maximum period of 50 years. The costs of adapting buildings to their use for the company are depreciated on a straight line basis over their estimated useful lives subject to a maximum life of 15 years. Depreciation is calculated based on the gross carrying amount, less the estimated residual value at the end of its economic life.

**1.15 OTHER RESERVES**

Other reserves relate to the revaluation reserve held under previous GAAP in respect of the investment property held at the date of transition.

The company has retained the revaluation under previous GAAP at 1 January 2004 as deemed cost, rather than either reverting to historical cost or carrying out a valuation at the date of transition as permitted by IFRS 1.



**NOTES TO THE FINANCIAL STATEMENTS (continued)****2. REVENUE**

Revenue represents rental income receivable during the year. Rental income is recognised on a straight-line basis over the period of the lease unless another systematic basis is more appropriate.

	2014 £	2013 £
<i>Rent and rates receivable</i>		
University Road	167,886	167,886
First Trust Centre	1,226,885	1,218,832
	1,394,771	1,386,718

**3. OPERATING EXPENSES**

	2014 £	2013 £
Direct operating expenses from investment property	397,961	390,155
Direct operating expenses from other property	162,500	189,584
Depreciation on investment property	44,606	116,945
Depreciation on other property	7,976	7,974
Insurance	3,150	3,150
Professional fees	3,500	2,000
	619,693	709,808

**4. NET FINANCE INCOME**

	2014 £	2013 £
Interest receivable from group companies	70,940	77,149
Interest payable to group companies	(40,911)	(40,911)
	30,029	36,238

**5. AUDITOR'S FEES**

Auditor's remuneration is borne by the ultimate parent Company, AIB plc.

**NOTES TO THE FINANCIAL STATEMENTS (continued)****6. ADMINISTRATIVE EXPENSES***Directors' emoluments and employee information*

The Company had no employees during the year other than the executive Directors whose emoluments were £nil for the year (2013: £nil). The Directors of the Company are employed and remunerated as employees of AIB Group (UK) p.l.c. and no charge is made to the Company for their services. The directors consider that the amount of time spent in their capacity as directors of Aberco Limited is not significant.

**7. TAXATION**

	2014 £	2013 £
<b>Current taxation</b>		
UK Corporation tax on profits for the period	184,450	-
Prior year adjustment	(35,612)	(430,915)
	148,838	(430,915)
<b>Deferred taxation</b>		
Origination and reversal of temporary timing differences	(14,486)	(93,949)
Prior year adjustment	26,062	-
Impact of change in tax rates	-	(8,859)
<b>Total income tax expense</b>	<b>160,414</b>	<b>(533,723)</b>

*Effective tax rate*

The tax for the period is higher (2013: lower) than the standard average rate of corporation tax in the UK 21.5% (2013: 23.25%). The differences are explained below:

	2014 £	2013 £
Profit/(loss) before taxation	516,394	(678,551)
Corporation tax in the UK of 21.5% (2013:23.25%)	111,025	(157,763)
Effects of:		
Expenses not deductible for tax purposes	57,222	279,421
UK transfer pricing adjustment	64	-
Prior year adjustments	(9,550)	(439,774)
Group relief	-	(194,836)
Other timing differences	1,653	(3,229)
Difference between current tax rate and deferred tax rate on timing difference	-	(17,542)
	<b>160,414</b>	<b>(533,723)</b>

The corporation tax rate was 21.5% for the year ended 31 December 2014 (2013: 23.25%).

**NOTES TO THE FINANCIAL STATEMENTS (continued)****8. DEFERRED TAX**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
At 1 January	<b>116,949</b>	220,810
Other timing adjustments	-	(1,053)
Credited to the income statement for the year	<b>(14,486)</b>	(102,808)
At 31 December	<b>102,463</b>	116,949
Deferred Tax Liability	<b>102,463</b>	116,949

The balance of deferred tax comprises:

<b>2014</b>	<b>Accelerated Capital Allowances £</b>	<b>Deferred tax On other Reserve £</b>	<b>Total £</b>
At 1 January	107,859	9,090	116,949
Credited to the income statement for the year	(14,486)	-	(14,486)
At 31 December	93,373	9,090	102,463

<b>2013</b>	<b>Accelerated Capital Allowances £</b>	<b>Deferred tax On other Reserve £</b>	<b>Total £</b>
At 1 January	211,720	9,090	220,910
Other timing adjustments	(1,053)	-	(1,053)
Credited to the income statement for the year	(102,808)	-	(102,808)
At 31 December	107,859	9,090	116,949

**NOTES TO THE FINANCIAL STATEMENTS (continued)****9. PROPERTY, PLANT AND EQUIPMENT**

	<b>2014</b>	
	<b>leasehold property</b>	<b>Total</b>
<i>Cost</i>	<b>£</b>	<b>£</b>
Balance at beginning of year	674,098	674,098
Balance at end of year	674,098	674,098
<i>Depreciation</i>		
Balance at beginning of year	633,485	633,485
Depreciation charge for the period	7,976	7,976
Balance at end of year	641,461	641,461
Net book value at end of year	32,637	32,637

	<b>2013</b>	
	<b>leasehold property</b>	<b>Total</b>
<i>Cost</i>	<b>£</b>	<b>£</b>
Balance at beginning of year	674,098	674,098
Balance at end of year	674,098	687,098
<i>Depreciation</i>		
Balance at beginning of year	625,511	625,511
Depreciation charge for the period	7,974	7,974
Balance at end of year	633,485	633,485
Net book value at end of year	40,613	40,613

**NOTES TO THE FINANCIAL STATEMENTS (continued)****10. INVESTMENT PROPERTY**

	2014	2013
	£	£
<i>Cost</i>		
Balance at beginning of year	9,493,439	9,493,439
Profit/(loss) on disposals	-	-
Balance at end of year	9,493,439	9,493,439
<i>Depreciation</i>		
Balance at beginning of year	6,848,744	5,340,100
Depreciation charge for the period	44,606	116,945
Impairment	288,713	1,391,699
Disposals	-	-
Balance at end of year	7,182,063	6,848,744
Net book value at end of year	2,311,376	2,644,695

Investment property comprises a commercial property that is leased to the parent company.

The investment property was reviewed for impairment at 31 December 2014 and 2013 by comparing the recoverable amount, being the higher of fair value less cost to sell and value in use, with the carrying value of the property.

The investment property was valued at £2,250,000 in January 2014 (2013: £3,750,000), on a market (fair) value basis, by Osborne King, a firm of independent Chartered Surveyors. The value in use was determined to be £2,331,714 at 31 December 2014 (2013: £2,644,695).

The carrying value exceeded the recoverable amount, on a value in use basis, by £288,713 (2013: £1,391,699). An amount of £288,713 (2013: £1,391,699) was charged to the income statement as impairment.

**11. TRADE AND OTHER RECEIVABLES**

	2014	2013
	£	£
Amounts receivable from parent company	6,433,915	5,763,073
	6,433,915	5,763,073

**12. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of bank balances with the parent company. For the purposes of the cash flow statement, cash and cash equivalents comprises the following amounts. Which are included within trade and other receivables in the statement of financial position (note 11):

	2014	2013
	£	£
Amounts receivable from parent company	6,433,915	5,763,073
	6,433,915	5,763,073

**NOTES TO THE FINANCIAL STATEMENTS (continued)****13. TRADE AND OTHER PAYABLES**

	2014 £	2013 £
Accruals and deferred income	52,400	52,400
Amounts due to fellow group companies	8,185,411	8,185,411
Other taxation and social security	34,215	34,215
	<b>8,272,026</b>	<b>8,272,026</b>

**14. CURRENT TAXATION**

	2014 £	2013 £
Corporation tax/group relief to be settled	378,822	390,769
	<b>378,822</b>	<b>390,769</b>

**15. CALLED UP SHARE CAPITAL**

	2014 £	2013 £
Authorised		
20,000,000 ordinary shares of £1.25	25,000,000	25,000,000
Issued		
2 ordinary shares of £1.00	2	2

**16. 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.

On extinguishment of equity instruments, gains or losses arising are recognised net of tax directly in the statement of changes in equity.

*Share capital*

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

*Dividends and distributions*

Dividends on ordinary shares are recognised in equity in the period in which they are approved by the Company's shareholders, or in the case of the interim dividend when it has been approved for payment by the Board of Directors.

*Revenue reserves*

Revenue reserves represent retained earnings of the company.

**NOTES TO THE FINANCIAL STATEMENTS (continued)****17. OPERATING LEASES****a) Leases as lessee**

Non-cancellable operating lease rentals are payable as follows:

	2014 £	2013 £
Less than one year	162,500	162,500
Between one and five years	650,000	650,000
More than five years	1,327,083	1,489,583
	<b>2,139,583</b>	<b>2,302,083</b>

The company leases one property (University Road Branch) under an operating lease from a third party (Varsity Estates Limited). The lease runs for a period of 35 years and is due to expire 28 February 2028.

**b) Leases as lessor**

i) The Company sublets a property and the future minimum lease payments under non-cancellable leases are as follows:

	2014 £	2013 £
Less than one year	483,539	828,924
Between one and five years	-	483,539
	<b>483,539</b>	<b>1,312,463</b>

During the year ended 31 December 2014 £828,924 was recognised as rental income from sublet property in the income statements (2013: £828,924).

The lease expired on 31 July 2009 but was replaced by a fifteen year lease commencing on 1 August 2009, which is cancellable after five years.

ii) The Company leases its investment property (First Trust Centre) under an operating lease and sublets it to the parent company being AIB Group (UK) plc. This sub-lease agreement is on the University Road Branch and is for the same duration as the main lease between Aberco and Varsity Estates. The future minimum lease payments under this non-cancellable lease are as follows:

	2014 £	2013 £
Less than one year	167,886	167,886
Between one and five years	671,544	671,544
More than five years	1,371,069	1,706,841
	<b>2,210,499</b>	<b>2,378,385</b>

During the year ended 31 December 2014 £167,886 was recognised as rental income from sublet property in the income statements (2013: £167,886).

**NOTES TO THE FINANCIAL STATEMENTS (continued)****18. RELATED PARTY TRANSACTIONS****Transaction, arrangements and agreements involving directors and others**

Key management personnel are those persons considered having the authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Management consider that the only key management personnel are the directors.

All costs/emoluments of directors are paid by the parent undertaking and are not recharged to the Company. As a result, the Company have not been required to disclose compensation paid to key management personnel.

**Fellow group companies**

The table below provides the balances that the Company has with its fellow group companies and the transactions included in the income statement:

	2014 £	2013 £
<b>Statement of Financial Position</b>		
Cash and cash equivalents	6,433,915	5,763,073
Amounts due to fellow group companies	8,185,411	8,185,411
<b>Income Statement</b>		
Revenue	1,394,711	1,386,718
Net finance income	30,029	36,238

Rental transactions that the Company enters into with fellow group companies are made in the ordinary course of business at normal commercial terms. Amounts due to and from group companies attract interest rates applicable to group funding which do not reflect normal commercial terms.

**19. COMMITMENTS**

There were no outstanding capital commitments at 31 December 2014 (2013: nil).

**20. RISK MANAGEMENT**

Risk taking is inherent in the provision of financial services and Aberco Limited, as part of the AIB Group, assumes a variety of risk in undertaking its business activities. Risk is defined as any event that could: damage the core earnings capacity of the Company, increase earnings or cash flow volatility; reduce capital; threaten business reputation or viability; and/or breach legal obligations. AIB Group has adopted an Enterprise Risk Management approach to identifying, assessing and managing risks.

The key elements of the framework are:

Risk philosophy;  
Risk appetite;  
Risk governance and risk management organisation;  
Risk identification and assessment process;  
Risk strategy; and  
Stress and scenario testing.

Details of AIB Group's risk management framework are set out in the Annual Report of Allied Irish Banks, p.l.c.



**NOTES TO THE FINANCIAL STATEMENTS (continued)****20. RISK MANAGEMENT (continued)****Risk Management – Individual risk types**

This section provides details of the exposure to, and risk management of, the following individual risk types which have been identified through the AIB Group risk assessment process and which are relevant to Aberco Limited:-

- 20.1 Credit risk
- 20.2 Liquidity risk
- 20.3 Operational risk
- 20.4 Interest rate risk

The 4 applicable risk types are discussed below.

**20.1 Credit risk**

Credit risk is defined as the risk that a customer or counterparty will be unable or unwilling to meet a commitment that it has entered into and that pledged collateral does not fully cover the Company's claims. The table below sets out the maximum exposure to credit risk that arises within the Company. The table distinguishes between those assets that are carried in the statement of financial position at amortised cost and those carried at fair value. The most significant credit risks arise from loans and receivables to customers.

	Amortised cost £	Fair Value £
<b>2014</b>		
<b>Trado and Other Receivables</b>	<b>6,433,915</b>	<b>6,433,915</b>
<b>2013</b>		
<b>Trade and Other Receivables</b>	<b>5,763,073</b>	<b>5,763,073</b>

***Risk identification and assessment***

Within AIB Group, credit risk is identified, assessed and measured through the use of credit rating for each customer or transaction. This assessment is carried out at the level of the individual customer or transaction. Special attention is paid to lower quality rated advances to help avoid default or, when in default, to minimise loss. AIB Group conducts periodic stress tests on its advances portfolio.

***Risk management and mitigation***

AIB Group has an established credit process with a framework of credit policy and delegated authorities, based on skill and experience, for the management and control of credit risk. Credit grading and monitoring systems accommodate the early identification and management of any deterioration in credit quality. The credit management system is underpinned by an independent system of credit review.

Company management approves the divisional credit policy within the parameters of relevant AIB Group level policies. The divisional risk management function is an integral part of the approval process of divisional policies. Material divisional policies are referred to the AIB Group Risk Management Committee (RMC) and/or to the Board, where relevant, for approval.

***Credit risk mitigation***

The most significant and widely used credit risk mitigation tool available to the Company is its own robust internal credit risk control framework.

***Risk monitoring and reporting***

Relevant credit risk information is reported in a timely manner to the appropriate level to enable informed management decision making.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 20. RISK MANAGEMENT (continued)

#### 20.1 Credit risk (continued)

##### *Provisioning for impairment*

The identification of advances for assessment as impaired is driven by the AIB Group's rating systems. The Company provides for impairment in a prompt and consistent way across the credit portfolios. The rating models provide a systematic discipline in the identification of advances as impaired and in triggering a need for provisioning on a timely basis. Advances are identified as impaired if they exhibit, through lessor assessment, an inability to meet their obligations to the Company.

Within its provisioning methodology, the Company uses two types of provisions: a) specific; and b) incurred but not reported ("IBNR") – i.e. collective provisions for earning advances. Specific provisions arise when the recovery of a specific advance or group of advances is significantly in doubt.

The amount of the specific provision will reflect the financial position of the borrower and the net realisable value of any security held for the advances or group of advances. In practice, the specific provision is the difference between the present value of expected future cash flows for the impaired advances(s) and the carrying value. IBNR provisions are maintained to cover advances which are impaired at the balance sheet date, and while not specifically identified, are known from experience to be present in any portfolio of advances. IBNR impairment provisions can only be raised for incurred losses and are not allowed for losses that are expected to happen as a result of likely future events.

Whilst provisioning is an ongoing process, the company formally reviews provision adequacy on a quarterly basis and determines the overall provision requirement. These provisions are, in turn, reviewed and approved on a quarterly basis at a Group level.

#### 20.2 Liquidity risk

Liquidity risk is the exposure to loss from not having sufficient funds available at an economic price to meet actual and contingent commitments. The objective of liquidity management is to ensure that, at all times, the Company holds sufficient funds to meet its contracted and contingent commitments, at an economic price.

The Aberco Limited liquidity risk is managed as part of the overall AIB Group liquidity management. This includes the risk identification and assessment, risk management and mitigation, and risk monitoring and reporting processes.

The following table outlines the contractual maturities of financial liabilities:

	Repayable on demand £	Total £
<b>2014</b>		
<b>Trade and Other Payables</b>	<b>8,272,026</b>	<b>8,272,026</b>
<b>2013</b>		
<b>Trade and Other Payables</b>	<b>8,272,026</b>	<b>8,272,026</b>

#### 20.3 Operational risk

Operational risk, which is inherent in all business activities, is the exposure to loss from inadequate or failed internal processes, people and systems, or from external events.

The management of operational risk is a line management responsibility. It is supported by specialist operational risk management ('ORM') functions within Allied Irish Banks, p.l.c. that assist and advise line management on specific operational risks. Examples include money laundering prevention, compliance, business continuity planning, information security and insurance.

An element of the Aberco Limited ORM programme is an operational risk self-assessment process. This process requires the Company to assess its operational risks and the effectiveness of the related controls to address these risks. It complements the risk-based audit approach applied by internal audit in its role as independent assessor of management's control and risk management processes.

Further details of AIB Group's Liquidity Risk and Operational Risk frameworks are set out in the Annual Report of Allied Irish Banks, p.l.c.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 20. RISK MANAGEMENT (continued)

#### 20.4 Interest rate risk

##### *Profile*

The company's interest bearing financial assets and liabilities are at variable rates of interest therefore the company has assets or liabilities that are sensitive to movements in interest rates.

##### *Sensitivity analysis for variable rate instruments*

The company has a call account which is charged interest each month at the Bank of England base rate of 0.5%. A movement of 10 basis points to 0.6% would result in an increase in interest paid by Aberco Limited of £8,067.62 over a period of 12 months.

The company also receives interest each month based on the Bank of England base rate plus 100 basis points (currently 1.5%). A movement of 10 basis points to 1.6% would result in an increase in the interest received by Aberco Limited of £10,261 over a period of 12 months.

Management does not anticipate a decrease in the Bank of England base rate in the foreseeable future.

### 21. FAIR VALUE OF FINANCIAL INSTRUMENTS

The term 'financial instruments' includes both financial assets and financial liabilities. The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or in its absence the most advantageous market to which the Company has access at that date.

The valuation of financial instruments including loans and receivables involves the application of judgement and estimation. Market and credit risks are the key assumptions in the estimation of the fair value of loans and receivables. The volatility in financial markets and the illiquidity that is evident in these markets has reduced the demand for many financial instruments and this creates a difficulty in estimating the fair value for loans to customers.

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 following table gives details of the carrying amounts and fair values of financial instruments at 31 December 2014 and 31 December 2013.

Fair values are based on observable market prices where available and on valuation models or techniques where the lack of market liquidity means that observable prices are unavailable. The fair values are measured according to the following fair value hierarchy:

- Level 1** – assets and liabilities measured using quoted market prices from an active market (unadjusted).
- Level 2** – assets and liabilities measured using valuation techniques which use quoted market prices from an active market or are measured using quoted market prices unadjusted from an inactive market.
- Level 3** – assets and liabilities measured using valuation techniques which use unobservable market data.

**NOTES TO THE FINANCIAL STATEMENTS (continued)****21. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)**

The following table sets out the carrying amount and fair value of financial instruments across the three levels of the fair value hierarchy at 31 December 2014.

	2014						
	Carrying amount in statement of financial position			Fair Value hierarchy			
	At amortised cost		Total				
	Loans and receivables	Other		Level 1	Level 2	Level 3	Total
	£	£	£	£	£	£	£
<i>Financial assets not measured at fair value</i>							
Property and equipment	-	32,637	32,637	-	-	32,637	32,637
Investment property	-	2,311,376	2,311,376	-	-	2,311,376	2,311,376
Amounts receivable from parent company	6,433,915	-	6,433,915	-	-	6,433,915	6,433,915
	6,433,915	2,344,013	8,777,928	-	-	8,777,928	8,777,928
<i>Financial liabilities not measured at fair value</i>							
Amounts due to fellow group companies	8,185,411	-	8,185,411	-	-	8,185,411	8,185,411
	8,185,411	-	8,185,411	-	-	8,185,411	8,185,411

**NOTES TO THE FINANCIAL STATEMENTS (continued)****21. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)**

The following table sets out the carrying amount and fair value of financial instruments across the three levels of the fair value hierarchy at 31 December 2013.

	2013						
	Carrying amount in statement of financial position			Fair Value hierarchy			
	At amortised cost		Total				
	Loans and receivables	Other		Level 1	Level 2	Level 3	Total
	£	£	£	£	£	£	£
<i>Financial assets not measured at fair value</i>							
Property and equipment	-	40,613	40,613	-	-	40,613	40,613
Investment property	-	2,644,695	2,644,695	-	-	2,644,695	2,644,695
Amounts receivable from parent company	5,763,073	-	5,763,073	-	-	5,763,073	5,763,073
	5,763,073	2,685,308	8,448,381	-	-	8,448,381	8,448,381
<i>Financial liabilities not measured at fair value</i>							
Amounts due to fellow group companies	8,185,411	-	8,185,411	-	-	8,185,411	8,185,411
	8,185,411	-	8,185,411	-	-	8,185,411	8,185,411

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**NOTES TO THE FINANCIAL STATEMENTS (continued)****22. PARENT COMPANY**

The immediate parent company and controlling party is AIB Group (UK) p.l.c., a company registered in Northern Ireland. This is the smallest group in which the financial statements of the company are consolidated. The accounts for AIB Group (UK) p.l.c. are available from Companies House, Second Floor, The Linenhall, 32-38 Linenhall Street, Belfast, Northern Ireland, BT2 8BG.

The ultimate parent undertaking and controlling party is Allied Irish Banks, p.l.c., a company registered in the Republic of Ireland. This is the largest group in which the financial statements of the company are consolidated. The accounts of the group are available from Allied Irish Banks, p.l.c., Bankcentre, Dublin 4. Republic of Ireland.

**23. CAPITAL RESOURCES**

The Company's capital consists of equity comprising issued share capital 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 the Group's policy to maintain a strong capital base. It is not separately regulated.

**24. KEY MANAGEMENT**

The Company is a subsidiary of the AIB Group. The time and costs of executives and other staff who are primarily employed by the Group are not specifically recharged. In the Company, key management comprises of the directors of the Company. As disclosed in note 6, the emoluments of the directors are met by the Group. They do not receive remuneration for services provided by the Company.

**25. POST BALANCE SHEET EVENTS**

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

**26. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved by the board of directors on the 16/9/ 2015.