Registered number: 00238151

MERRILL LYNCH EUROPE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

MERRILL LYNCH EUROPE LIMITED

COMPANY INFORMATION

Directors	J.H.R.Lee T.C.Martin
Company secretary	Merrill Lynch Corporate Services Limited
Registered number	00238151
Registered office	2 King Edward Street London England EC1A 1HQ
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 7 More London Riverside London SE1 2RT

MERRILL LYNCH EUROPE LIMITED

CONTENTS

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

INTRODUCTION

The directors present their strategic report on Merrill Lynch Europe Limited (the "Company") for the year ended 31 December 2018.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The Company's principal activity was formerly to act as the primary service provider for companies in the Bank of America Corporation ("BAC") group. During 2018, the Company continued to wind-down its activity as a service provider and now primarily holds intercompany balances with affiliates.

The directors expect the principal activity to continue in 2019.

The United Kingdom ("UK") government triggered Article 50 on 29 March 2017, which marked the start of the formal process of the UK's exit from the European Union ("EU"). Negotiations between the EU and UK regarding this exit are ongoing and consist of three phases: a withdrawal agreement, a new trade deal and an arrangement for a transition period. A withdrawal agreement was approved by the UK government cabinet and leaders of the EU, but was defeated by votes in the UK House of Commons. Subsequently at an emergency EU Council Summit on 11 April 2019, EU leaders agreed to a flexible extension of Article 50 until 31 October 2019. Consequently, there remains a high degree of uncertainty around the Brexit process, including the timing and the details of a future trade agreement and transition phase. In this context, the terms and impact of the UK's exit from the EU remains unclear, and episodes of economic and market volatility may continue to occur, with potential impacts to the Company's performance and financial position.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company's risk management objectives and policies, as well as exposures in relation to the seven key risk types (market, credit, operational, reputational, strategic and compliance risks), are described in the notes to the financial statements (see note 17).

FINANCIAL KEY PERFORMANCE INDICATORS

The profit for the financial year after tax amounted to £102,000 (2017: loss of £977,000).

Net assets as at 31 December 2018 were £23,760,000 (2017: £23,658,000).

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

This report was approved by the board on 11 July 2019 and signed on its behalf.

J.H.R.Lee
Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

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 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 financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 to 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.

DIRECTORS

The directors who served during the year were:

J.H.R.Lee
T.C.Martin

MATTERS COVERED IN THE STRATEGIC REPORT

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

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.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the 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.

POST REPORTING DATE EVENTS

There have been no significant events affecting the Company since the year end.

DIVIDEND

The directors do not recommend the payment of a dividend for the year ended 31 December 2018 (2017:£nil).

This report was approved by the board on 11 July 2019 and signed on its behalf.

J.H.R.Lee
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MERRILL LYNCH EUROPE LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Merrill Lynch Europe Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2018; the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers, and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MERRILL LYNCH EUROPE LIMITED

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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 in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MERRILL LYNCH EUROPE LIMITED

Use of this report

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.

Other required reporting

Companies Act 2006 exception reporting

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

We have no exceptions to report arising from this responsibility.

Christopher Shepherd.

Christopher Shepherd (Senior Statutory Auditor)
for and on behalf of
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London
SE1 2RT

11 July 2019

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 £000	2017 £000
Turnover	3	**26**	2,370
Administrative expenses	4	**(99)**	(2,973)
Exceptional administrative expense	5	**-**	(361)
Profit on sale of investments	6	**63**	-
Total operating loss		**(10)**	(964)
Interest income	10	**160**	1,834
Interest expense	11	**(48)**	(1,710)
Profit/(loss) before tax		**102**	(840)
Taxation on profit/(loss) on ordinary activities	12	**-**	(137)
Profit/(loss) for the financial year		**102**	(977)
Total comprehensive income/(expense) for the year		**102**	(977)

The notes on pages 10 to 19 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018 £000	2017 £000
Current assets			
Debtors: amounts falling due within one year	14	**23,834**	105,571
Cash at bank and in hand		**-**	5,469
Total current assets		**23,834**	111,040
Creditors: amounts falling due within one year	15	**74**	87,382
Net assets		**23,760**	23,658
Capital and reserves			
Called up share capital	16	**1**	1
Capital contribution reserve		**166,096**	166,096
Profit and loss account		**(142,337)**	(142,439)
		23,760	23,658

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 11 July 2019.

J.H.R.Lee
Director

The notes on pages 10 to 19 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Called up share capital	Capital contribution reserve	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2018	1	166,096	(142,439)	23,658
Comprehensive income for the year				
Profit for the year	-	-	102	102
At 31 December 2018	1	166,096	(142,337)	23,760

The notes on pages 10 to 19 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Called up share capital	Capital contribution reserve	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2017	1	166,096	(141,462)	24,635
Comprehensive loss for the year				
Loss for the year	-	-	(977)	(977)
At 31 December 2017	1	166,096	(142,439)	23,658

The notes on pages 10 to 19 form part of these financial statements.

1. ACCOUNTING POLICIES

The principal accounting policies, which have been applied consistently throughout the current and prior year, except where noted, 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, Financial Reporting Standard 100 ("FRS 100") - Application of Financial Reporting Requirements and Financial Reporting Standard 101 ("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 EU ("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 historical cost convention.

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

Below is a summary of standards, amendments or interpretations that are effective for the first time for the financial year beginning 1 January 2018 that have had a material impact on the Company.

IFRS 9 - Financial Instruments

The Company has applied IFRS 9 - Financial Instruments ("IFRS 9") for the first time with a date of initial application of 1 January 2018. The Company did not early adopt any of IFRS 9 in previous periods. The requirements of IFRS 9 represent a significant change from IAS 39 - Financial Instruments: Recognition and Measurement ("IAS 39"). The new standard changes the accounting for financial assets and certain aspects of the accounting for financial liabilities. The key changes for the Company's accounting policies resulting from its adoption of IFRS 9 are summarised below.

Classification of financial assets and liabilities.

IFRS 9 replaces the existing IAS 39 categorisations for financial assets and replaces them with three principal categories: measured at amortised cost, fair value through other comprehensive income ("FVOCI") and fair value through profit or loss ("FVPL"). Classification is generally based on the business model in which a financial asset is managed and its contractual cash flows. Adoption of IFRS 9 did not result in changes to the measurement basis of the Company's financial assets or liabilities as at 1 January 2018.

1. ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets

IFRS 9 replaces the incurred loss model in IAS 39 with an expected credit loss ("ECL") model. The new impairment model also applies to certain loan commitments and financial guarantee contracts but not to equity investments. Under IFRS 9, credit losses are recognised earlier than under IAS 39.

Transition

As permitted by the transitional provisions of IFRS 9, the Company has elected not to restate comparative figures. Assessments as to the business model within which a financial asset is held, and decisions as to the designation and revocation of previous designations of certain financial assets and financial liabilities as measured at FVPL, have been made on the basis of facts and circumstances that existed at the date of initial application. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of IFRS 9 are recognised in retained earnings and reserves as at 1 January 2018. Accordingly, the information presented for 2017 does not reflect the requirements of IFRS 9 and therefore is not comparable to the information presented for 2018 under IFRS 9.

While the adoption of IFRS 9 represents a significant change in the basis for classification and measurement of financial instruments, it did not have a material impact on the Company's financial statements. On this basis, no further transition disclosures are considered necessary.

IFRS 15 - Revenue from Contracts with Customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. The new standard does not impact the timing or measurement of the Company's revenue recognition as it is consistent with the Company's existing accounting for contracts within the scope of the new standard. The new accounting standard does not have a material impact on the Company's income statement or statement of financial position.

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 GOING CONCERN

As detailed in the strategic report, the Company has continued to wind-down its activity as a service provider and now primarily holds intercompany balances with affiliates.

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

1. ACCOUNTING POLICIES (CONTINUED)

1.5 INCORPORATION AND DOMICILE INFORMATION

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

1.6 FOREIGN CURRENCIES

The financial statements have been presented in pounds sterling which is also the functional currency of the Company.

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

Monetary assets and liabilities denominated in foreign currencies are translated into pounds sterling at rates of exchange ruling at the balance sheet date. Exchange gains and losses are recognised in the income statement.

1.7 TURNOVER

Turnover comprises revenue recognised by the Company in respect of services supplied during the year, exclusive of Value Added Tax.

The Company incurs costs and makes payments to suppliers on behalf of itself and other group companies within the group. The Company recharges these expenses at a mark-up to the group companies through service fees.

1.8 INTEREST INCOME AND EXPENSE

Interest income and expense for all interest bearing financial instruments are recognised on an accruals basis using the effective interest method. As the Company has no credit impaired assets, the effective interest rate is applied to the gross carrying amount of the financial asset or to the amortised cost of the liability. This treatment is consistent with the accounting treatment under IAS 39 which was applied prior to 1 January 2018.

1. ACCOUNTING POLICIES (CONTINUED)

1.9 EXCEPTIONAL ITEMS

Exceptional items are those items that, in the Directors' view, are required to be separately disclosed by virtue of their nature or incidence to enable a full understanding of the Company's financial performance. Details of these items are provided in note 5.

1.10 CURRENT AND DEFERRED 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 reporting date.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date and is measured at the average tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised over the Company's planning horizon.

1.11 FINANCIAL INSTRUMENTS

The Company recognises financial assets in the statement of financial position when it becomes a party of the contractual provisions of the instrument. The Company initially measures a financial asset at its fair value plus or minus transaction costs that are incremental and directly attributable to the acquisition of the financial asset. Immediately after initial recognition, the Company assesses for impairment on an expected credit loss basis. The Company classifies all of its financial assets within a held to collect business model and considers the contractual cash flow characteristics on these instruments as solely payments of principal and interest ("SPPI"). As such, these financial assets are measured at amortised cost.

The Company recognises financial liabilities in the statement of financial position when it becomes a party to the contractual provisions of the instrument. All financial liabilities are carried at amortised cost using the effective interest method.

Prior to 1 January 2018 the Company classified its financial assets as loans and receivables. Loans and receivables were initially recognised at fair value including any premiums and were subsequently carried at amortised cost using the effective interest method less an allowance for any impairment on an incurred loss basis.

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

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with FRS 101 requires the use of accounting estimates and assumptions concerning the future. It also requires management to exercise their judgement in the process of applying the Company's accounting policies.

There have been no critical judgements in the preparation of the financial statements.

3. TURNOVER

An analysis of turnover is as follows:

	2018 £000	2017 £000
Fees receivable	**26**	2,370

All turnover arose within the United Kingdom.

4. ADMINISTRATIVE EXPENSES

	2018 £000	2017 £000
Staff costs (See note 7)	**1**	1,211
Foreign exchange loss	**56**	716
Equipment rental and leases	**-**	206
Other operating expenses	**42**	840
	99	2,973

Staff costs relate to residual relocation expenses incurred in the year.

5. EXCEPTIONAL ADMINISTRATIVE EXPENSE

	2018 £000	2017 £000
Waiver of intercompany charges	**-**	361
	-	361

In 2017, the Company released £360,579 of obligations from an intra-group affiliate.

6. PROFIT ON SALE OF INVESTMENTS

	2018 £000	2017 £000
Profit on sale of investments	**63**	-

During the year, the Company disposed of its investment in its two subsidiary undertakings, Merril Lynch Equities Limited and Merrill Lynch Gilts (Nominees) Limited, realising a gain on sale of £63,000.

7. STAFF COSTS

	2018 £000	2017 £000
Wages and salaries	**1**	1,211
	1	1,211

Wages and salaries mainly consists of contractor costs and relocation costs. The Company has no employees other than the directors, who did not receive any remuneration (2017 - £Nil).

8. AUDITORS' REMUNERATION

The following amounts were paid to the Company's auditors in respect of the audit of the financial statements:

	2018 £000	2017 £000
Fees payable to the Company's auditors for the audit of the Company's financial statements	**42**	42

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

9. DIRECTORS' REMUNERATION

During the year, no director received any emoluments for their service to the Company (2017: £nil).

10. INTEREST INCOME

	2018 £000	2017 £000
Interest receivable from affiliated companies	**160**	1,834

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

11. INTEREST EXPENSE

	2018 £000	2017 £000
Interest payable to affiliated companies	**48**	1,710

12. TAXATION

	2018 £000	2017 £000
CORPORATION TAX		
Adjustments in respect of previous periods	-	137
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	-	137

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

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

	2018 £000	2017 £000
Profit/(Loss) on ordinary activities before tax	**102**	(840)
Profit/ (Loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	**19**	(162)
EFFECTS OF:		
Expenses not deductible for tax purposes	-	57
Adjustments to tax charge in respect of prior periods	-	137
Non-taxable income	**(12)**	-
Group relief	**(7)**	105
TOTAL TAX CHARGE FOR THE YEAR	-	137

13. INVESTMENTS

At the end of the current year, the Company had no investment in subsidiary undertakings. During the year, the Company disposed of its investment in its two subsidiary undertakings, Merril Lynch Equities Limited and Merrill Lynch Gilts (Nominees) Limited which were held at a combined cost of £5.

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £000	2017 £000
Amounts owed by affiliated companies	**20,411**	102,654
Corporation tax recoverable	**3,423**	2,917
	23,834	105,571

Amounts owed by affiliated companies are interest bearing with notice period of 95 days.

15. CREDITORS: Amounts falling due within one year

	2018 £000	2017 £000
Amounts owed to affiliated companies	**74**	87,370
Other creditors	**-**	12
	74	87,382

Amounts owed to affiliated companies are unsecured, are a combination of interest bearing and non-interest bearing and are repayable on demand.

16. CALLED UP SHARE CAPITAL

	2018 £	2017 £
Allotted, called up and fully paid		
1,000 (2017 - 1,000) Ordinary shares of £1.00 each	**1,000**	1,000

17. RISK MANAGEMENT

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:

• Culture of Managing Risk Well;
• Risk Appetite;
• Risk Management Processes;
• Risk Data Management, Aggregation and Reporting; and
• Risk Governance

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 each of the key risk types.

Market risk
Market risk is the risk that changes in market conditions may adversely impact the values of assets and liabilities or otherwise negatively impact earnings.

Some market risks the Company is exposed to are described below:

Interest rate risk
Interest rate risk arises from the possibility that changes in interest rates will affect the value of financial instruments. The Company does not hedge this exposure.

Credit risk
BAC defines credit risk as the risk of loss arising from the inability or failure of a borrower or counterparty to meet its obligations. The directors consider this risk to be minimal due to the fact that the Company's only counterparties are other affiliated companies. The ECL on these exposures is therefore not considered to be significant for the Company.

18. RELATED PARTY TRANSACTIONS

As detailed in note 1.3, the company has elected to take advantage of the exemtion 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.

19. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Company's immediate parent company is ML EMEA Holdings II LLC, a company organised and existing in the State of Delaware in the United States of America (U.S.A.). The ultimate parent and controlling party is BAC, a company organised and existing in the State of Delaware in the 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 BAC. Copies of BAC's consolidated financial statements can be obtained from either of the following website locations: http://investor.bankofamerica.com or www.sec.gov/.