U.S. Bank Trustees Limited

Directors' Report and Financial Statements

31 December 2017

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Directors and Other Information

Board of Directors
Tom Cubitt
Declan Lynch

Company Secretary
Michael Shea – Resigned 12 January 2018
Ed Leedham – Appointed 16 January 2018

Registered Office
U.S. Bank Global Corporate Trust Services
L5, 125 Old Broad Street,
London, EC2N 1AR

Solicitors
A&L Goodbody
North Wall Quay
Dublin 1

Auditors
Mazars
Chartered Accountants & Statutory Audit Firm
Block 3
Harcourt Centre
Harcourt Road
Dublin 2

Registered Number: 02379632

Directors' Report

The Directors present herewith their report together with the audited Financial Statements for the year ended 31 December 2017.

Principal activities
The principal activity of U.S. Bank Trustees Limited ('the Company') is providing trust services. The Directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year.

Review of development and performance of the business and position during the financial year
The Directors are satisfied with the Company's performance and financial position for the year which are set out in the Statement of Comprehensive Income and the Statement of Financial Position on pages 9 and 10 respectively.

2017 performance and key performance indicators
Given the uncomplicated nature of the business, the Company's Directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

Dividend
The Directors do not recommend the payment of a dividend (2016 - £nil).

Research and development
No research and development activities have been carried out by the Company in 2017 (2016 - £nil).

Events after the reporting period
There were no significant events since the reporting period that require adjustment to or disclosure in the Financial Statements.

Charitable and Political donations
No charitable or political donations were made during the year.

Going concern
The Directors have a reasonable expectation, having made appropriate enquiries that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Financial Statements are prepared on a going concern basis.

Financial Risk Management
Details of the Company's financial risk management objectives and policies are set out in note 11 to the Financial Statements.

Books of accounts
The measures taken by the Directors to ensure compliance with the Company's obligation to keep proper books of account, as outlined in Section 386 of the Companies Act 2006, are the use of appropriate systems and procedures and the employment of competent persons who report to the Chief Operating Officer and ensure that the requirements of the legislation are complied with. The books of account are kept at 1st Floor, Building 8, Cherrywood Science & Technology Park, Loughlinstown, D18 W319.

Directors' and Secretary's shareholdings
The names of the present Directors at any time during the year ended 31 December 2017 are listed on page 2. Unless otherwise indicated, they served as Directors for the entire year.

The Directors have not at any time during the year held any beneficial interests in the shares of the Company.

Principal risks and uncertainties
Risk management is an integral part of the Company's business process. Risk management and governance arrangements have been described elsewhere in this Report in note 11.

The risks and uncertainties which are currently judged to have the largest impact on the Company's performance are noted below:

- Changes in and adherence to government and regulatory compliance regulations, could result in increased compliance costs for the Company and adversely affect operations and profitability;
- Movements in foreign currency exchange rates may adversely affect the Company. The management of this risk is detailed in note 11 to the Financial Statements;
- Operational risks, including technology and systems execution risk, information security breaches and data protection compliance, business continuity planning and disaster recovery. Inadequate management of these risks could adversely impact the Company.

Directors' responsibilities statement
The Directors are responsible for preparing the Directors' report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements giving a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for each financial year. Under Company law, the Directors have elected to prepare the Company Financial Statements in accordance with International Financial Reporting Standards as adopted by the EU ("IFRS EU").

In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether the Financial Statements have been prepared in accordance with applicable accounting standards, identify those standards and note the effect and the reasons for any material departure from those standards.

The Directors confirm that they have complied with the above requirements in preparing the Financial Statements.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain that the Company's transaction and enable them to ensure that the Financial Statements comply with the Companies Acts 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.

Provision of information to Auditors
Each director confirms that:

- So far as they are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- They have taken all the steps that they ought to have taken as a director in order to make themselves aware of the relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors
Mazars Statutory Auditor, who were appointed during the period, have expressed their willingness to continue in office in accordance with the Companies Act 2006.

Approved by the Board of Directors and authorised for issue on 13 July 2018.

Declan Lynch
Director

Tom Cubitt
Director

MAZARS

Independent auditor's report to the members of U.S. Bank Trustees Limited

Opinion

We have audited the financial statements of U.S. Bank Trustees Limited (the 'Company') for the year ended 31 December 2017 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (Ireland) require us to report to you where:

- 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.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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 specific by law are not made; or
- we have not received all the information and explanations we require for our audit.

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standard. 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.

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

Michael Tuohy (Senior Statutory Auditor)
for and on behalf of Mazars
Chartered Accountants and Statutory Audit Firm
Harcourt Centre, Block 3
Harcourt Road
Dublin 2

Date: 13 July 2018

Statement of Comprehensive Income

For the year ended 31 December 2017

U.S. Bank Trustees Limited

In thousands of GBP	Note	31 Dec 2017	31 Dec 2016
Fee and commission income	3	3,102	2,890
Fee and commission expense	3	(69)	(24)
Net fee and commission income		**3,033**	**2,866**
Other operating expense	5	(2,887)	(2,760)
Foreign exchange gain	5	6	20
Profit for the year from ordinary activities before tax		**152**	**126**
Income tax expense	6	(29)	(25)
Profit for the year from ordinary activities, net of tax		**123**	**101**

The Company has no recognised gains or losses other than those included in the results above and therefore no Statement of Other Comprehensive Income has been presented.

The results above are all derived from continuing activities.

Approved by the Board of Directors and authorised for issue on 13 July 2018.

Declan Lynch
Director

Tom Cubitt
Director

Statement of Financial Position

For the year ended 31 December 2017

U.S. Bank Trustees Limited			
In thousands of GBP	**Note**	**31 Dec 2017**	**31 Dec 2016**
Investment Services Receivables	7	2,334	1,766
Other assets	8	909	1,865
Total assets		**3,243**	**3,631**
Liabilities			
Current tax liability		14	3
Other liabilities	9	2,212	2,734
Total liabilities		**2,226**	**2,737**
Equity			
Capital contribution	10	250	250
Retained earnings		767	644
Total equity		**1,017**	**894**
Total liabilities and equity		**3,243**	**3,631**

Approved by the Board of Directors and authorised for issue on 13 July 2018.

Declan Lynch
Director

Tom Cubitt
Director

Statement of Changes in Equity

For the year ended 31 December 2017

U.S. Bank Trustees Limited			
In thousands of GBP	**Called Up Share Capital**	**Retained Earnings**	**Total Equity**
Balance as at 1 January 2016	250	543	793
Profit for the year	-	101	101
Oher comprehensive Income	-	-	-
Balance as at 31 December 2016	**250**	**644**	**894**
Profit for the year	-	123	123
Oher comprehensive income	-	-	-
Balance as at 31 December 2017	**250**	**767**	**1,017**

Statement of Cash Flows
For the year ended 31 December 2017

U.S. Bank Trustees Limited		
In thousands of GBP	**31 Dec 2017**	**31 Dec 2016**
Cash flows from operating activities		
Profit before tax	152	126
Adjustments to reconcile profit before tax to net cash		
Net change in Investment Services Receivables	(568)	532
Net change in other assets	858	1,808
Net change in other liabilities	(424)	(2,442)
Taxation paid	(18)	(24)
Net cash used in operating activities	-	-
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the year	-	-
Cash and cash equivalents at the end of the year	-	-

Notes to the Financial Statements

1 Basis of Preparation

Reporting entity
U.S. Bank Trustees Limited (the "Company") is a company incorporated and domiciled in the United Kingdom. The address of the Company's registered office is Level 5, 125 Old Broad Street, London, EC2N 1AR. The Company is a fully owned subsidiary of Elavon Financial Services DAC whose registered office is located at Building 8, Cherrywood Science & Technology Park, Loughlinstown, Dublin 18, Ireland. Elavon Financial Services DAC is a fully owned subsidiary of U.S. Bancorp (NYSE:USB).

Statement of compliance
The Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS EU") and applicable as at December 2017.

Basis of measurement
The Financial Statements have been prepared on a historical cost basis.

Functional and presentation currency
The Financial Statements of the Company are presented in sterling (also referred to as "GBP" and "£") which is also the functional currency of the Company.

Use of estimates and judgements
The preparation of Financial Statements requires management to make judgments, estimates and assumptions that may affect the application of policies and reported amounts of certain assets, liabilities, revenues and expenses and disclosures of contingent assets and liabilities.

The estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Management's judgment involves making estimates concerning the likelihood of future events, the actual results could differ from those estimates. Estimates and judgments are continually evaluated and revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

2 Summary of Significant Accounting Policies

The significant accounting policies that U.S. Bank Trustees Limited applied in the preparation of the Financial Statements for the year ended 31 December 2017 are set out below.

Foreign currency transaction
Transaction and balances
As at the reporting date, assets and liabilities denominated in a foreign currency are translated into the Company's presentation currency, (GBP), at the exchange rate on the Statement of Financial Position date and items in the Statement of Comprehensive Income are translated at the rate prevailing at the date of the transaction.

Non-monetary items that are measured in terms of historical cost in foreign currencies are translated using the exchange rates at the dates of the initial transaction. Non-monetary items measured at fair value in foreign currencies are translated using the exchange rates at the date when the fair value is determined.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the retranslation at year end exchange rates of the amortised cost of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

Fee and Commission Income
Income is recognised on an accrual basis in the financial year in which the services are provided. Income comprises revenue recognised by the Company in respect of services provided during the year, exclusive of value added tax and trade discounts.

2 . Summary of Significant Accounting Policies (continued)

Income tax, including deferred tax

The Company periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income. Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

New and amended standards and interpretations

IAS 7 Statement of Cash Flows (amendments)

The amendment is applied prospectively and intends to improve disclosures of financing activities and help users to better understand the reporting entities' liquidity positions. Under the new requirements, entities will need to disclose changes in their financial liabilities as a result of financing activities such as changes from cash flows and non-cash items. This amendment did not have a material impact on the Company as it only affects disclosures and no comparative disclosures are required in the initial year of application.

IAS 12 Income Taxes (amendments)

The amendment is applied prospectively and clarifies the accounting treatment of deferred tax assets of debt instruments measured at fair value for accounting, but measured at cost for tax purposes. This amendment did not have a material impact on the Company.

IFRS 12 Interests in other entities (Annual improvements cycle 2014-2016)

The amendments clarify that the disclosure requirements in IFRS 12, other than those in paragraphs B10-B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal Company that is classified) as held for sale. This amendment did not have an impact on the Company.

2 Summary of Significant Accounting Policies (continued)

New accounting pronouncements with a future effective date

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's Financial Statements are disclosed below. As at the Company's Financial Statements' effective date, the Company is assessing impacts if any.

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 *Financial Instruments* that replaces IAS 39 *Financial Instruments: Recognition and Measurement* and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

The Company plans to adopt the new standard on the required effective date and will not restate comparative information. During 2017, the Company has performed a detailed impact assessment of all three aspects of IFRS 9. This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information being made available to the Company in 2018 when the Company will adopt IFRS 9. Overall, the Company expects no significant impact on its assets, liabilities or equity, except for the effect of applying the impairment requirements of IFRS 9. The Company is finalizing evaluation of the impact of these changes on the Company's Financial Statements.

a) Classification and Measurement

The Company does not expect a significant impact on its assets, liabilities or equity on applying the classification and measurement requirements of IFRS 9. It expects to continue measuring at fair value all financial assets currently held at fair value.

Loans as well as trade receivables are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. The Company analysed the contractual cash flow characteristics of those instruments and concluded that they meet the criteria for amortised cost measurement under IFRS 9. Therefore, reclassification for these instruments is not required.

a) Impairment

IFRS 9 requires the Company to record expected credit losses on all of its debt securities, loans and trade receivables, either on a 12-month or lifetime basis. The Company has determined that, due to the unsecured nature of its loans and receivables, the loss allowance will not have a material impact.

b) Hedge Accounting

The Company does not expect any material changes or impact as the hedge accounting requirements of IFRS 9 will not be applied. Any derivatives entered into by the Company are generally traded in an over-the-counter market and are short term, therefore will not be impacted.

2 Summary of Significant Accounting Policies (continued)

New accounting pronouncements with a future effective date (continued)

IFRS 15 Revenue from Contracts with Customers

IFRS 15 Revenue from Contracts with customers defines principles for recognizing revenue and will be applicable to all contracts with customers. However, interest and fee income integral to financial instruments and leases will continue to fall outside the scope of IFRS 15 and will be regulated by other applicable standards. Revenue will be recognized upon completion of the distinct performance obligations rather than completion at a contract level. This standard is effective for periods beginning on 1 January 2018. The Company has not early adopted IFRS 15 and does not anticipate its impact to be material.

IFRS 16 Leases

The new standard does not significantly change the accounting for leases for lessors. However, it does require lessees to recognize most leases on their balance sheets as lease liabilities, with the corresponding right-of-use assets. IFRS 16 is effective for annual periods beginning on or after 1 January 2019 with early adoption permitted, provided the new Revenue standard, IFRS 15, is applied on the same date. The Company does not anticipate early adopting IFRS 16 and is currently evaluating its impact.

IFRS 2 Clarifications of Classifications and Measurements (amendments)

The amendment specifies that a share-based payment transaction in which the entity settles the share-based payments arrangement net, by withholding a specified portion of the equity instruments to meet the employee tax obligation, should be classified as equity-settled in its entirety, if the entire share-based payment would otherwise be classified as equity-settled without the net settlement feature. This amendment is effective for periods beginning 1 January 2018 with early application permitted. This amendment is not expected to have a material impact to the Company's Consolidated Financial Statements.

IAS 40 Transfer of Investment Property (amendments)

IAS 40 Investment Property prescribes the accounting for property held to earn rentals, for capital appreciation, or both. The effective date of this amendment is 1 January 2018. This amendment will have no impact on the Company as the Company does not hold 'Investment property'.

Annual improvements cycle 2015-2017

- IFRS 3 & IFRS 11 — Business Combinations & Joint Arrangements
- IAS 12 — Income Taxes
- IAS 23 — Borrowing Costs

3 Fee and Commission Income and Expense

The Company earns trust fee income from a diverse range of services. Corporate Trust fees are all fees earned by the Company in respect to the Special Purpose Vehicles ("SPVs"), under the relevant Governing Instruments and include: Trustee, Principal Paying Agent, Transfer Agent, Calculation Agent, Agent Bank, Custodian, Cash Manager, Reporting Agent and other roles. Corporate Trust revenue is recognised on an accrual basis in the financial year in which the services are provided. These fees are determined in accordance with contracts between the Company and their clients. Fee commission expenses are write offs of Fee Commission Income and are recognized on an accrual basis in the financial year in which the expense is incurred.

Fee and Commission Income and Expense		
In thousands of GBP	**31 Dec 17**	**31 Dec 16**
Fee and commission income		
Corporate trust revenue	3,102	2,890
Total fee and commission income	**3,102**	**2,890**
Fee and commission expense		
Fee and commission expense - other	69	24
Total fee and commission expense	**69**	**24**
Net fee and commission income	**3,033**	**2,866**

4 Employees

The Company did not have any employees during the year (2016 – nil).

5 Operating Expense

Operating Expenses		
In thousands of GBP	**31 Dec 17**	**31 Dec 16**
Auditors' remuneration		
Statutory audit	11	21
Total Auditor's remuneration	**11**	**21**
Other operating expenses		
Services provided by affiliate companies	2,706	2,711
Other operating expenses - Other	144	0
Professional services	26	28
Total other operating expenses	**2,876**	**2,739**
Total operating expenses	**2,887**	**2,760**
Foreign exchange gain	**6**	**20**

6 Income Taxes

Income Taxes		
In thousands of GBP	**31 Dec 17**	**31 Dec 16**
(a) Analysis of charge for year		
Corporation tax based on profit/loss for the year at 19.25% ([2016 -20%] & [2015-20.25%])	29	25
Prior year adjustment	-	-
	29	25

The headline rate of UK corporation tax reduced to 20% on 1 April 2015. A further rate reduction of 3% was announced on 8 July 2015 which will reduce the tax rate to 19% from 1 April 2017 and 17% from 1 April 2020 respectively. These changes were included in the Finance Act 2016 which was substantively enacted on 6 September 2016.

(b) Factors affecting tax charge for year:	**31 Dec 17**	**31 Dec 16**
Profit on ordinary activities before tax	152	126
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% ([2016 - 20%] & [2015-20.25%])	29	25
Effects of:		
Losses surrendered for group relief purposes	-	-
Prior year adjustment	-	-
	29	25

7 Investment Services Receivables

Investment Services Receivables		
In thousands of GBP	**31 Dec 17**	**31 Dec 16**
Investment Services Receivables	2,334	1,766
Total	**2,334**	**1,766**

8 Other Assets

Other Assets		
In thousands of GBP	**31 Dec 17**	**31 Dec 16**
Tax debtors	1	524
Receivables from affiliate companies	908	1,341
Total	**909**	**1,865**

9 Other Liabilities

Other Liabilities		
In thousands of GBP	**31 Dec 17**	**31 Dec 16**
Accruals and sundry creditors	11	12
Deferred revenue	1,072	889
Payable to affiliate companies	1,129	1,630
Other liabilities - Other	-	203
As at 31 December	**2,212**	**2,734**

10 Called Up Share Capital

Called Up Share Capital		
In thousands of GBP	**31 Dec 17**	**31 Dec 16**
Allotted, called up fully paid		
250,000 ordinary shares of £1 each	250	250
Total	**250**	**250**

11 Risk Management

The Company regards managing risks as an essential part of successfully operating a financial services company. Material risks are deemed to be those risks which may impact the Company's ability to deliver on its business plan, service its customers, operate in a legal and compliant manner, impact the Company's reputation and brand or cause financial loss exceeding normal business plan tolerances.

Credit Risk

The Company takes exposure to credit risk, which is risk that a counter party will be unable to pay the amounts in full when they fall due. Impairment provisions, where necessary, are provided for losses that have incurred by the Statement of Financial Position date. The Company's main credit risk concentration relates to Investment Services Receivables and the maximum exposure to credit risks for these accounts receivables is as per Note 7.

11 Risk Management (continued)

Operational risk
The Company defines operational risk as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. The Company maintains a system of controls with the objective of providing proper transaction authorisation and execution, safeguarding of assets from misuse or theft, and ensuring the reliability of financial and other data. Management are responsible for ensuring that the controls are appropriate and are implemented as designed.

Interest rate risk
Interest rate risk is primarily related to interest bearing liabilities and assets. To minimise the volatility of net interest income and the market value of assets and liabilities, the Company monitors its exposure to changes in interest rates through asset and liability management activities.

Currently, none of the Company's assets and liabilities are exposed to interest rate risk and hence, interest rate sensitivity analysis is not applicable.

Market Risk
Market risk is defined as the current or prospective risk to earnings and capital arising from adverse movements in price of financial assets and financial liabilities and it rises from related factors such as market volatilities. None of the Company's financial assets and financial liabilities are exposed to market risk.

Liquidity risk
Liquidity risk is defined as the current or prospective risk to earnings and capital arising from the Company's inability to meet its liabilities when they come due. The Company's approach to liquidity risk management is designed to maintain sufficient liquidity in both normal operating environments as well as in periods of severe stress.

Assets by their contractual undiscounted cash flows

In thousands of GBP	Demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	Over 12 months	Total
Investment Services Receivables	2,211	-	123	-	2,334
Tax debtor	-	1	-	-	1
Receivable from affiliate companies	-	908	-	-	908
As at 31 December 2017	**2,211**	**909**	**123**	**-**	**3,243**

11 Risk Management (continued)

Assets by their contractual undiscounted cash flows

In thousands of GBP	Demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	Over 12 months	Total
Investment Services Receivables	1,634	-	132	-	1,766
Tax debtor	-	524	-	-	524
Receivable from affiliate companies	-	1,341	-	-	1,341
As at 31 December 2016	**1,634**	**1,865**	**132**	**-**	**3,631**

Liabilities by their contractual undiscounted cash flows

In thousands of GBP	Demand and less than 1 month	From 1 to 6 months	From 6 to 12 months	Over 12 months	Total
Current tax liability	-	-	14	-	14
Accruals and sundry creditors	-	11	-	-	11
Deferred revenue	-	-	1,072	-	1,072
Payable to affiliate companies	-	304	-	825	1,129
Other liabilities - other	-	-	-	-	-
As at 31 December 2017	**-**	**315**	**1,086**	**825**	**2,226**

11 Risk Management (continued)

Liabilities by their contractual undiscounted cash flows

In thousands of GBP	**Demand and less than 1 month**	**From 1 to 6 months**	**From 6 to 12 months**	**Over 12 months**	**Total**
Current tax liability	-	-	3	-	3
Accruals and sundry creditors	-	12	-	-	12
Deferred revenue	-	-	889	-	889
Payable to affiliate companies	-	1,180	-	450	1,630
Other liabilities - other	203	-	-	-	203
As at 31 December 2016	**203**	**1,192**	**892**	**450**	**2,737**

Foreign Exchange Risk

The Company takes on exposure to effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Board sets limits on the level of exposure which are monitored daily.

The Company is exposed to currency risk in the normal course of business, principally on revenues generated in EUR, PLN, CHF & USD.

The table below is a sensitivity analysis which demonstrates the effects of potential 5% adverse movements in the exchange rate of the given currencies versus GBP.

Foreign Exchange Risk

In GBP	**2017 Statement of Income**	**2016 Statement of Income**
CHF	214	(225)
EUR	55	372
PLN	881	(646)
USD	4,014	1,541
Total	**5,164**	**1,042**

12 Capital Management

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 December 2017.

13 Related Party Transactions

The Company is a subsidiary of Elavon Financial Services DAC, a company incorporated in the Republic of Ireland.

The Company's ultimate parent company and controlling party is U.S. Bancorp, which is incorporated in Delaware (United States of America). This is the smallest and largest group to prepare consolidated Financial Statements, which include the Financial Statements of the Company that are available for public viewing.

No transactions involving directors of the Company or its Parent occurred during the year. The Directors received no remuneration for the years presented in the Financial Statements.

The Company also entered into day-to-day transactions with U.S. Bancorp and its subsidiaries, mainly comprising of the recharging of various costs incurred and transfer transactions. The costs incurred in respect of these transactions totalled GBP 2,706 thousand during 2017 (2016: GBP 2,711 thousand).

As at 31 December 2017 the Company had receivables from affiliate companies of GBP 908 thousand (2016: 1,341 thousand) and payables to affiliate companies of GBP 1,129 thousand (2016: 1,630 thousand).

14 Subsequent Events
There are no subsequent events after the reporting date.

15 Approval of Financial Statements
The Company's Financial Statements were authorised for issue by the Board of Directors on the 13 July 2018.