

BANK OF IRELAND DIRECT MARKETING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015



Registered Number: 02476161

BANK OF IRELAND DIRECT MARKETING LIMITED

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BANK OF IRELAND DIRECT MARKETING LIMITED

DIRECTORS AND OTHER INFORMATION

Directors

R Holden

S Crowe

Company Secretary

Hill Wilson Secretarial Limited

Bank of Ireland

Head Office

40 Mespil Road

Dublin 4

Registered Office

One Temple Back East

Temple Quay

Bristol

United Kingdom

BS1 6DX

Registered Number

02476161

Independent Auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Waterfront Plaza

8 Laganbank Road

Belfast

BT1 3LR

BANK OF IRELAND DIRECT MARKETING LIMITED

DIRECTORS' REPORT

The directors present the annual report and audited financial statements of Bank of Ireland Direct Marketing Limited ("the Company") for the financial year ended 31 December 2015.

Adoption of FRS101 – Reduced disclosure framework

In 2015, the Company adopted FRS101 *Reduced Disclosure Framework* ("FRS 101"). Further information is set out in the summary of significant accounting policies, section 1.1 Basis of preparation and note 11 Impact of transition to FRS 101.

Review of business and future developments

The Company did not trade during the year.

The financial position of the Company is shown in the attached financial statements. It is not intended that the Company will undertake any business in the foreseeable future.

Results and Dividends

The Company made a loss for the financial year ended 31 December 2015 of £28,580 (2014: £33,338).

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

Directors

The directors who served during the year ended 31 December 2015 and up to the date of signing the financial statements are set out below. Except where indicated, they served as directors for the entire period.

R Holden

S Crowe

Statement of directors' responsibilities

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 for each financial year. Under that law the directors have prepared 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* (FRS101).

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 United Kingdom Accounting Standards, including FRS101 have been followed, subject to any material departures disclosed and explained in the financial statements;

BANK OF IRELAND DIRECT MARKETING LIMITED

DIRECTORS' REPORT (CONTINUED)

Statement of directors' responsibilities (continued)

- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of financial statements; 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 adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Qualifying third party indemnity provision

A qualifying third party indemnity provision (as defined in section 234 of the Companies Act 2006) was and remains in force for the benefit of all directors of the Company and former directors who held office during the year and at the approval date of the financial statements. The indemnity is granted under article 13 (a) of the Company's Articles of Association.

Statement of disclosure of information to auditors

So far as each of the directors in office at the date of approval of these financial statements is aware:

- there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps which they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of such information.

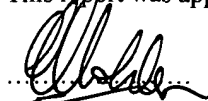
Small companies' exemption

The Company qualifies as a small company in accordance with sections 381 to 383 of the Companies Act 2006 (the "Act") and the directors' report has therefore been prepared taking into consideration the entitlement to small companies exemptions provided in sections 415A and 414B (as incorporated to the Act by the Strategic Report and Directors' Report Regulations 2013) of the Act.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to be reappointed in accordance with section 487 of the Companies Act 2006, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

This report was approved by the Board of Directors on 25 May 2016 and signed on its behalf by:



Richard Holden

Director

BANK OF IRELAND DIRECT MARKETING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BANK OF IRELAND DIRECT MARKETING LIMITED

Report on the financial statements

Our opinion

In our opinion, Bank of Ireland Direct Marketing Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

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

- the balance sheet as at 31 December 2015;
- the statement of profit and loss and comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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

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

Opinion on other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

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

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

BANK OF IRELAND DIRECT MARKETING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BANK OF IRELAND DIRECT MARKETING LIMITED (CONTINUED)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on pages 2 and 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

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

What an audit of financial statements involves

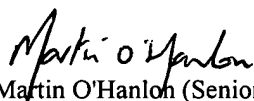
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.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

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

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

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

In addition, we read all the financial and non-financial information in the Annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Martin O'Hanlon (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Belfast

25 May 2016

BANK OF IRELAND DIRECT MARKETING LIMITED

**STATEMENT OF PROFIT AND LOSS AND COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

		2015	2014
	Note	£	£
Administrative expenses	2	(39,811)	(42,468)
Loss on ordinary activities before taxation	4	(39,811)	(42,468)
Tax on loss on ordinary activities	5	11,231	9,130
Loss for the financial year		(28,580)	(33,338)
Total comprehensive expense for the financial year		(28,580)	(33,338)

The notes on pages 9 to 12 form part of these financial statements.

BANK OF IRELAND DIRECT MARKETING LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2015

	Note	2015 £	2014 £
Current assets			
Debtors	6	472,397	681,659
Creditors: amounts falling due within one year	7	(10,439)	(191,121)
Net assets		<u>461,958</u>	<u>490,538</u>
Capital and reserves			
Called up share capital	8	2	2
Profit and loss account		461,956	490,536
Total shareholders' funds		<u>461,958</u>	<u>490,538</u>

The notes on pages 9 to 12 form part of these financial statements.

The financial statements on pages 6 to 12 were approved by the Board of Directors on 25 May 2016 and signed on its behalf by:



Richard Holden
Director

Registered number: 02476161

BANK OF IRELAND DIRECT MARKETING LIMITED

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

	Called up share capital	Profit and loss account	Total shareholders' funds
	£	£	£
At 1 January 2014	2	523,874	523,876
Loss for the financial year	-	(33,338)	(33,338)
At 31 December 2014	2	490,536	490,538
Loss for the financial year	-	(28,580)	(28,580)
At 31 December 2015	2	461,956	461,958

The notes on pages 9 to 12 form part of these financial statements.

BANK OF IRELAND DIRECT MARKETING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 Summary of significant accounting policies

1.1 Basis of preparation

The financial statements comprise the Statement of Profit and Loss and Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the notes to the financial statements.

The financial statements of Bank of Ireland Direct Marketing Limited (the “Company”) for the year ended 31 December 2015 have been prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* (FRS 101). The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 as applicable to companies using FRS 101.

The financial statements are presented in pounds sterling (£) which is the functional and presentational currency of the Company, except where otherwise indicated.

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 the process of applying the Company’s accounting policies. The Company has no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

The Company has transitioned to FRS 101 from previously extant Generally Accepted Accounting Practice in the United Kingdom for all periods presented. As the Company has no measurement or recognition adjustments on transition to FRS 101, the reconciliations required by paragraph 24 of IFRS 1 have not been presented.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- the presentation of an opening balance sheet at the date of transition to FRS 101 (1 January 2014);
- a cash flow statement and related notes;
- comparative period reconciliations for share capital and tangible fixed assets;
- disclosures in respect of transactions with wholly owned subsidiaries of the Bank of Ireland Group;
- the effects of new but not yet effective IFRSs;
- disclosures in respect of capital management;
- disclosures in respect of the compensation of key management personnel; and
- certain disclosures required by IFRS 13 *Fair Value Measurement* and IFRS 7 *Financial Instruments*.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements and in preparing an opening FRS 101 balance sheet at 1 January 2014 for the purposes of the transition to FRS 101.

Other than the transition to FRS101, the Company has not adopted any new standards or amendments to standards during the year ended 31 December 2015.

1.2 Foreign currency translation

The financial statements of the Company are presented in its functional currency, pounds sterling. Foreign currency transactions are translated into functional currency at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit and loss and comprehensive income.

BANK OF IRELAND DIRECT MARKETING LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1 Summary of significant accounting policies (continued)

1.3 Current income tax

Income tax payable on profits is recognised as an expense in the year in which profits arise. 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.

2 Administrative expenses

Administrative expenses consist of a foreign exchange loss of £39,811, on the revaluation of euro denominated amounts owed by Bank of Ireland Group undertakings which was settled during the year (year ended 31 December 2014: £42,468).

3 Employees and directors' emoluments

There were no employees during the year (2014: nil) and the directors received no emoluments in respect of services to the Company (2014: £nil).

4 Loss on ordinary activities before taxation

The audit fees for the Company of £2,116 (2014: £2,116) are borne by The Governor and Company of the Bank of Ireland.

5 Tax on loss on ordinary activities

	2015	2014
	£	£
Current tax		
UK corporation tax credit at 20.25% (2014: 21.50%)	(8,062)	(9,130)
Adjustment in respect of prior years	(3,169)	-
Current tax credit for the year	<u>(11,231)</u>	<u>(9,130)</u>

The reconciliation of tax on the loss on ordinary activities before taxation at the standard UK corporation tax rate to the Company's actual tax credit is as follows:

	2015	2014
	£	£
Loss on ordinary activities before taxation	(39,811)	(42,468)
Loss on ordinary activities multiplied by standard rate in the UK of 20.25% (year ended 31 December 2014: 21.50%)	(8,062)	(9,130)
Adjustment in respect of prior years	(3,169)	-
Current tax credit for the year	<u>(11,231)</u>	<u>(9,130)</u>

Factors affecting future tax charges

The main rate of corporation tax reduced to 20% from 1 April 2015 which resulted in a composite rate of 20.25% for the year ended 31 December 2015.

BANK OF IRELAND DIRECT MARKETING LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****6 Debtors**

	2015	2014
	£	£
Corporation tax	8,062	5,959
Amounts owed by Bank of Ireland Group undertakings	464,335	675,700
	<u>472,397</u>	<u>681,659</u>

Amounts owed by Bank of Ireland Group undertakings are unsecured, interest free and repayable on demand.

7 Creditors: amounts falling due within one year

	2015	2014
	£	£
Amounts owed to Bank of Ireland Group undertakings	10,439	191,121
	<u>10,439</u>	<u>191,121</u>

Amounts owed to Bank of Ireland Group undertakings are unsecured, interest free and repayable on demand.

8 Called up share capital

	2015	2014
	£	£
Authorised		
1,000 (2014: 1,000) ordinary shares of £1 each	1,000	1,000
Allotted and fully paid		
2 (2014: 2) ordinary shares of £1 each	2	2

9 Related party transactions

The Company has availed of the FRS 101 exemption relating to the disclosure of transactions with other wholly owned subsidiaries of the Bank of Ireland Group. There are no other transactions with related parties.

10 Controlling parties

The Company is a wholly owned subsidiary of Bank of Ireland Britain Holdings Limited, a company registered in England and Wales. The smallest group of which the Company is a member and for which financial statements are prepared is Bank of Ireland UK Holdings plc, a company registered in Northern Ireland.

The ultimate parent undertaking and controlling party of Bank Of Ireland UK Holdings plc, and hence of the Company is The Governor and Company of the Bank Of Ireland, a company incorporated by Royal Charter and registered in the Republic Of Ireland.

The largest group of which the Company is a member and for which financial statements are prepared is The Governor and Company of the Bank of Ireland. Copies of the consolidated financial statements of the Bank of Ireland Group for the year ended 31 December 2015 may be obtained from the Group Secretary, Bank of Ireland, 40 Mespil Road, Dublin 4, Republic of Ireland.

BANK OF IRELAND DIRECT MARKETING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 Impact of transition to FRS 101

For periods up to and including the year ended 31 December 2014, the Company prepared its financial statements in accordance with previously extant United Kingdom generally accepted accounting practice (UK GAAP). These financial statements, for the year ended 31 December 2015, are the first the Company has prepared in accordance with FRS 101.

Accordingly, the Company has prepared individual financial statements which comply with FRS 101 applicable for periods beginning on or after 1 January 2015 and the significant accounting policies meeting those requirements are described in the relevant notes.

In preparing these financial statements, the Company has started from an opening balance sheet as at 1 January 2014, the Company's date of transition to FRS 101. There were no differences between the recognition and measurement basis applied under previous UK GAAP at 1 January 2014 and FRS 101. As a result, a reconciliation of the Company's total comprehensive income and a reconciliation of its equity have not been presented.

On transition to FRS 101, the Company has applied the requirements of paragraphs 6 to 33 of IFRS 1 "First time adoption of International Financial Reporting Standards" except for paragraphs 6 and 21, as permitted by FRS 101.

12 Approval of financial statements

The Board of Directors approved the financial statements on 25 May 2016.