Company No 04311952

ANNUAL REPORT AND FINANCIAL STATEMENTS

IBRC EQUITY LIMITED

(FORMERLY ANGLO IRISH EQUITY LIMITED)

YEAR ENDED 31 DECEMBER 2011

IBRC EQUITY LIMITED

Contents

IBRC EQUITY LIMITED

Directors

F G Parker
T P Walsh

Secretary

F G Parker

Auditor

Deloitte LLP
London

Bankers

Irish Bank Resolution Corporation Limited
10 Old Jewry
London
EC2R 8DN

Registered office

10 Old Jewry
London
EC2R 8DN

Registered number

04311952

Country of incorporation

Great Britain

IBRC EQUITY LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements of IBRC Equity Limited ('the Company') for the year ended 31 December 2011

1 PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The Company acts as a General Partner and has invested in a number of Limited Partnerships which give a specific return based on the agreement with the limited partnerships and their underlying subsidiaries, if any The Company is not involved in any other business

2 PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk facing the Company relates to its investments in two Limited Partnerships acting as a General Partner The General Partner has first right to a specific profit from the underlying Limited Partnerships, but do not share in any losses unless the Limited Partnerships become insolvent when the Company then carries unlimited liability for the debts of the Limited Partnership All remaining profits and losses are attributable to the Limited Partners Consequently, as the Company does not share in losses of the underlying entities, the directors deem the risks to be minimal The only significant risk the Company will experience is the volatility in the foreign exchange rate as the investment in one limited partnership is in US Dollars whereas the financial statements are prepared with Sterling as the functional currency However, the investment is also funded in US Dollars thus eliminating the actual foreign exchange risk

3 PARENT COMPANY AND ULTIMATE PARENT COMPANY

The Company is a wholly-owned subsidiary of CDB (U K) Limited, a company incorporated in Great Britain, which in turn is a wholly owned subsidiary of Irish Bank Resolution Corporation Limited ('IBRC'), formerly Anglo Irish Bank Corporation Limited, incorporated in the Republic of Ireland, the ultimate parent undertaking

4 RESULTS FOR THE YEAR AND STATE OF AFFAIRS AS AT 31 DECEMBER 2011

The results for the year and the statement of financial position at 31 December 2011 are set out, respectively, on pages 8 and 9 The result after taxation for the year amounted to £Nil (2010 £Nil) Total shareholders' equity as at 31 December 2011 amounted to £293 (2010 £293)

5 CHANGE OF NAME

On 14 October 2011, the Company changed its name from Anglo Irish Equity Limited to IBRC Equity Limited

6 DIVIDEND

The directors do not propose the payment of a dividend in respect of the year ended 31 December 2011 (2010 £Nil)

7 GOING CONCERN

Following an assessment, the Directors have determined that it is reasonable to conclude that the Company will continue in operational existence for the foreseeable future and therefore the financial statements have been prepared on the going concern basis

The assessment by the Directors is based on the fact that the ultimate parent company, IBRC, continues to support the Company This includes the provision of a Letter of Support from IBRC which confirms assistance in meeting the Company's liabilities as and when they fall due at least until 31 July 2014

The Directors of the Company have also considered the financial statements of IBRC for the year ended 31 December 2011 which have been prepared on the going concern basis and the assessment which the directors of IBRC reached in the preparation of its financial statements

7 GOING CONCERN continued

The assessment by the directors of IBRC is based on the restructuring plan which was submitted to and subsequently approved by the European Commission ('EC') for the orderly work out of the IBRC Group over a period of up to ten years and assumes that the IBRC Group will continue to have access to sufficient liquidity and funding facilities from a combination of the ECB and the Central Bank of Ireland Taking into account the context, the directors of IBRC have determined, following an assessment, that it is reasonable to conclude that IBRC will continue in operational existence for the foreseeable future and therefore that it is appropriate to prepare the financial statements on the going concern basis

In making the going concern assessment for the foreseeable future the directors of IBRC considered a range of factors and in particular the IBRC Group's ability to continue to avail of special and secured funding facilities from the Central Bank of Ireland, and to a limited extent, from the ECB, the Shareholder's ongoing support for the Restructuring Plan, the impact of the EU/IMF Programme, political factors and the impact of general economic conditions and fiscal realignment measures on lending asset quality

Taking into account the factors set out above the directors of IBRC assessment is primarily dependent on the following key expectations

a) that IBRC Group will continue to have access to sufficient liquidity and funding facilities from the Central Bank of Ireland and to a limited extent, from the ECB, and if required, an alternative appropriate source, and

b) that IBRC will continue to function as a licensed bank and that the Shareholder will continue to provide capital support if required in order for the IBRC Group to continue to meet its regulatory capital requirements

Should the key judgements on which the directors of IBRC have based their decision to prepare the financial statements on the going concern basis prove to be mistaken it may lead to a requirement to make significant adjustments to the carrying value of certain assets and to make provisions for the additional costs of an orderly work out of IBRC and the Company over a much shorter period than is currently envisaged

On the basis of the above assessment by the directors of IBRC and the preparation of its group financial statements for the year ended 31 December 2011, which were published on 29 March 2012, the Directors of the Company have a reasonable expectation that the Company has adequate resources, or will be able to obtain adequate resources from IBRC in terms of additional funding and/or equity, to continue in operational existence for the foreseeable future Thus, the Directors continue to adopt the going concern basis of accounting in preparing the annual financial statements

IBRC EQUITY LIMITED

DIRECTORS' REPORT continued

8 KEY PERFORMANCE INDICATORS

Given the limited scope and nature of the business, and that the Company is a wholly-owned subsidiary of Irish Bank Resolution Corporation Limited ("IBRC"), the Directors are of the opinion that key performance indicators or other forms of performance measurement are not necessary in providing an understanding of the development, performance or position of the Company The ultimate parent undertaking of the Company maintains an oversight of the Company's performance under IBRC's business and governance management structures Further details can be obtained in the Annual Report and Accounts of IBRC at www ibrc ie

9 FUTURE DEVELOPMENTS

As indicated in section 7 - Going Concern, the key focus of the Company going forward will be the orderly realisation of its assets over a timeframe of up to ten years in line with the overall approved Restructuring Plan approved by the EU for the Group

10 DIRECTORS AND SECRETARY

F G Parker and T P Walsh served as directors throughout the year and will continue in office in accordance with the articles of association F G Parker served as secretary throughout the year The directors and secretary had no interest in the shares of the Company during the year

11 DIRECTORS' INDEMNITIES

The ultimate parent undertaking has made qualifying third party indemnity provisions for the benefit of the Company's directors which were made in a previous period and remain in force at the date of this report

12 PAYMENT OF CREDITORS

As the Company is a holding company it does not have trade creditors In the event that the Company did have such creditors in the future, it is the Company's policy to settle terms of payment with suppliers when agreeing the terms of each transaction, ensure that suppliers are made aware of the terms of payment and abide by the terms of payment

13 DISCLOSURE OF INFORMATION TO THE AUDITOR

Each of the persons who is a director at the date of approval of the report confirms that

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information

The confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006

14 INDEPENDENT AUDITOR

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements are being made for them to be deemed reappointed as auditor in the absence of an Annual General Meeting

REGISTERED OFFICE
10 Old Jewry
London
EC2R 8DN

ON BEHALF OF THE BOARD

F G Parker - Director

Date 14 September 2012

IBRC EQUITY LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF DIRECTORS' REPORT AND FINANCIAL STATEMENTS

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and International Financial Reporting Standards as adopted by the European Union (IFRS)

Company Law requires the directors to prepare financial statements for each financial year which 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 year In preparing those financial statements, International Accounting Standards requires that directors

- select suitable accounting policies and then apply them consistently,
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,
- provide additional disclosures when compliance with the specific requirements of IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance, and
- state that the company has complied with IFRS, subject to any material departures disclosed and explained in the financial statements

The directors are required to prepare the financial statements on the going concern basis, unless it is not appropriate Further details are given in section 7 of the Directors' Report

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 2006 They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities

The directors confirm that, to the best of their knowledge, they have complied with these requirements in preparing the financial statements, including preparation of these financial statements in accordance with IFRS Under applicable laws and regulations, the directors also have responsibility for preparing a Directors' Report, as set out on pages 2 to 4 that complies with that law and those regulations

BY ORDER OF THE BOARD

F G Parker
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IBRC EQUITY LIMITED

We have audited the financial statements of IBRC Equity Limited ('the Company') for the year ended 31 December 2011 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and related notes 1 to 15 The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as adopted by the European Union (IFRS)

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

Respective responsibilities of directors and independent auditor

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2011 and of its result for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IBRC EQUITY LIMITED continued

Matters on which we are required to report by exception

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

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

Caroline Britton

Caroline Britton (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
Date 14 September 2012

IBRC EQUITY LIMITED

Statement of comprehensive income

For the year ended 31 December 2011

	Note	Year ended 31 Dec 2011 £	Year ended 31 Dec 2010 £
Continuing operations			
Profit before tax	4	-	-
Tax credit	6	-	-
Result for the year		-	-
Other comprehensive income for the year		-	-
Total comprehensive result for the year attributable to the equity holders of the Company		-	-

The notes on pages 12 - 19 form part of these financial statements

IBRC EQUITY LIMITED

Statement of financial position

As at 31 December 2011

	Notes	31 December 2011 £	31 December 2010 £
Non-current assets			
Investment in limited partnerships	7	19,368	19,326
		19,368	19,326
Current assets			
Other assets	8	548,857	547,676
Total assets		568,225	567,002
Current liabilities			
Other liabilities	9	567,932	566,709
Total liabilities		567,932	566,709
Shareholders' equity			
Share capital	10	1	1
Retained profits		292	292
Shareholders' funds		293	293
Total shareholders' equity and liabilities		568,225	567,002

The notes on pages 12 - 19 form part of these financial statements

The financial statements were approved by the Board of Directors and authorised for issue on 14 September 2012
They were signed on its behalf by

F G Parker
Director

Date 14 September 2012

Company number 04311952

IBRC EQUITY LIMITED

Statement of changes in equity

For the year ended 31 December 2011

	Share Capital £	Retained Profits £	Total £
Balance at 31 December 2009	1	292	293
Result for the year	-	-	-
Balance at 31 December 2010	1	292	293
Result for the year	-	-	-
Balance at 31 December 2011	1	292	293

The notes on pages 12 - 19 form part of these financial statements

IBRC EQUITY LIMITED

Statement of cash flows
For the year ended 31 December 2011

	Year ended 31 Dec 2011 £	Year ended 31 Dec 2010 £
Profit before tax	-	-
Changes in operating assets and liabilities		
Net increase in other liabilities	1,181	565,878
Net cash flows from operating activities before tax	1,181	565,878
Tax received	-	-
Net cash flows from operating activities after tax	1,181	565,878
Cash flows from investing activities		
Investment in Limited Partnerships	-	-
Net cash flow from investing activities	1,181	565,878
Net increase in cash and cash equivalents	1,181	565,878
Opening cash and cash equivalents	547,676	(18,202)
Closing cash and cash equivalents	548,857	547,676

IBRC EQUITY LIMITED

Notes to the financial statements

1 General information and accounting policies

1 1 General information

Anglo Irish Equity Limited ("the Company") was renamed as IBRC Equity Limited on 14 October 2011

The Company is a private limited company registered in England and Wales and acts as a general partner to two Limited Partnerships

1 2 Basis of preparation

The financial statements have been presented in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS') and applied in accordance with the Companies Act 2006, and as applicable at 31 December 2011

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets and liabilities to the extent required or permitted under accounting standards as set out in the relevant accounting policies They are presented in Sterling

As described in the Directors' Report on pages 2 - 4, following an assessment, the Directors have determined that it is reasonable to conclude that the Company will continue in operational existence for the foreseeable future and therefore the financial statements have been prepared on the going concern basis

The assessment by the Directors is based on the fact that the ultimate parent company, IBRC, continues to support the Company This includes the provision of a Letter of Support from IBRC which confirms assistance in meeting the Company's liabilities as and when they fall due at least until 31 July 2014

The Directors of the Company have also considered the financial statements of IBRC for the year ended 31 December 2011 which have been prepared on the going concern basis and the assessment which the directors of IBRC reached in the preparation of its financial statements

The assessment by the directors of IBRC is based on the restructuring plan which was submitted to and subsequently approved by the EC for the orderly work out of the IBRC Group for a period of up to ten years and assumes that the IBRC Group will continue to have access to sufficient liquidity and funding facilities from a combination of the ECB and the Central Bank of Ireland Taking into account the context, the directors of IBRC have determined, following an assessment, that it is reasonable to conclude that IBRC will continue in operational existence for the foreseeable future and therefore that it is appropriate to prepare the financial statements on the going concern basis

In making the going concern assessment for the foreseeable future the directors of IBRC considered a range of factors and in particular the IBRC Group's ability to continue to avail of special and secured funding facilities from the Central Bank of Ireland, and to a limited extent, from the ECB, the Shareholder's ongoing support for the Restructuring Plan, the impact of the EU/IMF Programme, political factors and the impact of general economic conditions and fiscal realignment measures on lending asset quality

Taking into account the factors set out above the directors of IBRC assessment is primarily dependant on the following key expectations

a) that the IBRC Group will continue to have access to sufficient liquidity and funding facilities from the Central Bank of Ireland and to a limited extent, from the ECB, and if required, an alternative appropriate source, and

b) that IBRC will continue to function as a licensed bank and that the Shareholder will continue to provide capital support if required in order for the IBRC Group to continue to meet its regulatory capital requirements

Should the key judgements on which the directors of IBRC have based their decision to prepare the financial statements on the going concern basis prove to be mistaken it may lead to a requirement to make significant adjustments to the carrying value of certain assets and to make provisions for the additional costs of an orderly work out of IBRC and the Company over a much shorter period than is currently envisaged

IBRC EQUITY LIMITED

Notes to the financial statements continued

1 General information and accounting policies continued

1.2 Basis of preparation continued

On the basis of the above assessment by the directors of IBRC and the preparation of its group financial statements for the year ended 31 December 2011, which were published on 29 March 2012, the Directors of the Company have a reasonable expectation that the Company has adequate resources, or will be able to obtain adequate resources from IBRC in terms of additional funding and/or equity, to continue in operational existence for the foreseeable future Thus, the Directors continue to adopt the going concern basis of accounting in preparing the annual financial statements

1 3 Adoption of new accounting standards

From 1 January 2011, the Company has adopted the following standards

Amendment to IAS24 - Related Party Disclosures

The main changes to IAS 24 include a partial exemption from the disclosure requirements for transactions between a government-controlled reporting entity and that government or other entities controlled by that government, and amendments to the definition of a related party This has had no impact on the Company's financial statements

A number of other amendments and interpretation to IFRS have been published that first apply from 1 January 2011 These have not resulted in any material changes to the Company's accounting policies

1.4 Investment in a Limited Partnership

The investment in subsidiary undertaking is reflected in the statement of financial position at cost less provision for impairment

1 5 Foreign currency translation

Functional and presentational currency

The financial statements are presented in Sterling, which is the Company's functional and presentational currency

Transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the statement of financial position date All differences are recognised in the statement of comprehensive income Foreign exchange gains and losses resulting from the settlement of such transactions and from the retranslation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined

1 6 Financial assets

Financial assets are classified as loans and receivables and relate to amounts due from the ultimate parent undertaking Management determines the classification of its investments at initial recognition

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market They arise when the Company provides money to a counterparty with no intention of trading the receivables Loans and receivables are initially recognised at fair value, including direct and incremental costs, and are subsequently carried on an amortised cost basis The best evidence of the fair value at initial recognition is the transaction price (i e the fair value of the consideration given or received)

1 7 Impairment of financial assets

The carrying amounts of the Company's financial assets are reviewed at each reporting date to determine whether there is any indication of permanent impairment If any such indication exists, then the asset's recoverable amount is estimated

An impairment loss is recognised if the carrying amount of a financial asset exceeds its long-term estimated recoverable amount Impairment losses are recognised in the statement of comprehensive income

1 General information and accounting policies continued

1 8 Accounting estimates and judgements

The reported results of the Company are sensitive to the accounting policies, assumptions and estimates that underlie the preparation of its financial statements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year However, the nature of estimation means that actual outcomes could differ from those estimates

The particular accounting policies adopted by the company are not subject to estimates and judgements which would have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, other than as described in these financial statements

1 9 Prospective accounting changes

The Company has not applied the following new standards, amendments to standards and interpretations (IFRICs) that have been approved by the International Accounting Standards Board and which would be applicable to the Company with an effective date after the date of these financial statements

The following will be applied in 2013
Amendments to IFRS 7 - Financial Instruments Disclosures

The following will be applied in 2014
Amendment to IAS 32 - Financial Instruments Presentation

These will be adopted in future years and, with the exception of IFRS 9 are not expected to have a material impact on the Company's results or financial statements

In December 2011, the International Accounting Standards Board decided to defer the effective date of IFRS 9 to accounting periods beginning on or after 1 January 2015 The original effective date was for periods beginning on or after 1 January 2013 The Company has not yet fully assessed the potential impact of this standard It is the first phase of a project to replace IAS 39 - Financial Instruments Recognition and Measurement Its aim is to reduce the complexity of accounting for financial assets and in so doing to aid investors' and other users' understanding of financial information

1 10 Statement of cash flows

For the purposes of the statement of cash flows, cash comprises cash on hand and demand deposits, including any loans to the ultimate parent undertaking which acts as the Company's bankers Cash equivalents comprise highly liquid investments that are convertible into cash with an insignificant risk of changes in value with original maturities of less than three months

Notes to the financial statements continued

2 Directors' emoluments

Key management personnel who consist of directors of the Company are remunerated by the ultimate parent undertaking, Irish Bank Resolution Corporation Limited ('IBRC') These directors are full time employees of IBRC and receive no additional renumeration (2010 £Nil) for their services to the Company

3 Employees

The Company had no employees during the year (2010 None)

4 Profit before taxation

The audit fee for the statutory accounts is borne by the ultimate parent undertaking, Irish Bank Resolution Corporation Limited The audit fee relating to this Company was £1,000 (2010 £1,000)

5 Segmental reporting

Due to the Company's minimal activity, it does not have any segments for segmental reporting purposes

6 Taxation	**Year ended 31 Dec 2011**	Year ended 31 Dec 2010
	£	£
Corporation tax		
- Current year	-	-
- Prior year	-	-
	-	-
Effective tax rate	-	-

Notes to the financial statements continued

7 Investment in limited partnerships

	31 Dec 2011	31 Dec 2010
	£	£
Investment in Anglo Irish Federal Street UK Limited Partnership	19,367	19,325
Investment in The Anglo Aggmore Limited Partnership	1	1
	19,368	19,326

8 Other assets

	31 Dec 2011	31 Dec 2010
	£	£
Amount due from parent undertaking	548,857	547,676

9 Other liabilities

	31 Dec 2011	31 Dec 2010
	£	£
Amounts owed to Anglo Irish Federal Street LP	567,932	566,709

10 Share capital

	31 Dec 2011	31 Dec 2010
	£	£
Ordinary share capital		
Ordinary shares of £1 each		
Authorised 1,000 Ordinary shares of £1	1,000	1,000
Allotted, called up and unpaid	1	1

Notes to the financial statements continued

11 Risk management and control

The Company is subject to a variety of risks and uncertainties in the normal course of its business activities The specific risks identified and managed by the Company include credit risk, market risk, liquidity risk, operational risk, compliance and regulatory risk

In order to effectively minimise the impact of these risks, the directors place reliance on the group processes and risk management framework of the ultimate parent, Irish Bank Resolution Corporation Limited ("IBRC"), covering accountability, measurement reporting and management of risk throughout the IBRC Group including the Company

Credit risk

Credit risk is the risk that the Company will suffer financial loss from a counterparty failure to pay interest, repay capital or meet a commitment The Company's only credit risk relates to its investment in two limited partnerships and amounts due from its parent company The Company's investments are closely monitored by the Board of Directors The investments are monitored for impairment in accordance with note 1 7 of these financial statements

Market risk

Market risk is the potential adverse change in income or the value of the net worth arising from movements in interest rates, exchange rates or other market prices Market risk arises from the structure of the statement of financial position Market risk primarily arises from exposure to changes in interest rates and exchange rates

The Company's investment of US$30,000 in a limited partnership means that it has an exposure to foreign exchange risk However this is funded by a loan from the Company's ultimate parent undertaking of US$30,000 Consequently the directors consider this risk to be minimal as there is no net currency risk exposure

The Company's financial assets and liabilities have no interest rates applied to them

Liquidity risk

Liquidity risk is the risk that the Company does not have sufficient financial resources available at all times to meet its contractual and contingent cash flow obligations or can only secure these resources at excessive cost

It is not expected that the Company will be exposed to adverse liquidity requirements due to the limited activities of the Company

Operational risk

Operational risk is the risk of loss arising from inadequate controls and procedures, unauthorised activities, outsourcing, human error, systems failure and business continuity Due to the limited nature of the Company's activities it is difficult for the Company to suffer an operational error

11 Risk management and control continued

Compliance risk

The directors are responsible for ensuring that the Company is compliant with all relevant laws and best practice guidelines Non compliance can give rise to reputational loss, legal or regulatory sanctions or material financial loss

The Group Risk and Compliance Committee of the main board of Irish Bank Resolution Corporation Limited ("IBRC") has oversight of all compliance and risk issues for the IBRC Group, including this Company

Capital management

The objectives of the Company's capital management policy is to efficiently manage the capital base to optimise the return of the Company

The responsibility for capital adequacy rests with the directors The directors manage the capital structure and make adjustments to it in light of changes in economic conditions or changes in the risk profile of assets

The capital position at 31 December 2011 was as follows

	2011	2010
	£	£
Total equity	293	293
Capital	293	293
Total Debt	567,932	566,709

12 Financial instruments

The Company does not use financial instruments in the normal course of its business

The directors believe that the carrying value and fair values of the financial assets and liabilities are approximately equal as the amounts due from group and parent undertakings, as well as the profit shares from limited partnerships, are recoverable due to the financial support received from the ultimate parent company, Irish Bank Resolution Corporation Limited

13 Events after the statement of financial position date

No significant events have occurred since the year end which directly affects the Company

14 Parent Company

The Company is a wholly owned subsidiary of Irish Bank Resolution Corporation Limited, a company incorporated in the Republic of Ireland, which is also the ultimate parent undertaking of the Company The Company's financial statements have been consolidated only in the group Financial Statements of the ultimate parent undertaking of the Company and a copy of these financial statements are available from Irish Bank Resolution Corporation Limited, Stephen Court, 18/21 St Stephen's Green, Dublin 2, Ireland or at www ibrc ie

15 Related party transactions

The Company has been provided with a loan from the ultimate parent undertaking of the company, Irish Bank Resolution Corporation Limited The balance on this loan at 31 December 2011 was £548,857 (2010 £547,676) Included in that amount is a loan of $30,000 provided for the investment in Anglo Irish Federal Street LLP

The loan of $30,000 is converted at the relevant year end foreign exchange rate and the sterling equivalent at 31 December 2011 was £19,367 (2010 £19,325)

Both loans to and from the company are interest free and have no fixed terms of repayment

There were no other related party transactions or balances requiring disclosure