Company No. 04311952

IBRC EQUITY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2021

IBRC EQUITY LIMITED

Contents

IBRC EQUITY LIMITED

Directors

F G Parker
T P Walsh

Secretary

F G Parker

Auditor

Deloitte LLP
2 New Street Square
London
EC4A 3BZ
United Kingdom

Bankers

Barclays Bank plc
Barclays Corporate
Level 11
1 Churchill Place
London
E14 5HP

Registered office

C/o Hold Store Limited
Unit 33A, Enterprise House
44-46 Terrace Road
Walton on Thames
Surrey
KT12 2SD

Registered number

04311952

Country of incorporation

The United Kingdom

IBRC EQUITY LIMITED

DIRECTORS' REPORT

The directors present their annual report on the affairs of IBRC Equity Limited ('the Company') together with the financial statements and audit report for the period ended 31 December 2021. We draw the readers attention to the fact that these accounts have been produced for an 18 month period to 31 December 2021 and are therefore not comparable to the preceding period which was for the year ended 30 June 2020.

1. PARENT COMPANY

The Company is a wholly owned subsidiary of Irish Bank Resolution Corporation Limited - in special liquidation ('IBRC'), incorporated in the Republic of Ireland, the parent undertaking. The registered address of IBRC is at 1 Stokes Place, St. Stephens Green, Dublin 2, Ireland.

On 7 February 2013, the Irish Minister for Finance, made an Order pursuant to Section 4 of the Irish Bank Resolution Corporation Act, 2013 (the "Act") providing for the winding-up of the parent undertaking, IBRC, under the provisions of the Act. Pursuant to the same Order, Mr. Kieran Wallace and Mr. Eamonn Richardson (the "Joint Special Liquidators") of KPMG, 1 Stokes Place, St. Stephen's Green, Dublin 2 were appointed joint special liquidators of IBRC with all of the duties and powers conferred upon them by the Act.

2. STRATEGIC REPORT AND PRINCIPAL ACTIVITY

The Company is entitled to the small companies exemption under Section 414B Companies Act 2006 permitting it not to have to prepare a strategic report. The principal activity of the Company is to recover remaining assets and complete an orderly dissolution of the Company.

3. RESULTS FOR THE PERIOD AND STATE OF AFFAIRS AS AT 31 DECEMBER 2021

The results for the period and the statement of financial position at 31 December 2021 are set out, respectively, on pages 8 and 9. The total comprehensive income for the period amounted to €4,120 (2020: €8,976 - total comprehensive expense). Total shareholders' equity as at 31 December 2021 amounted to €445,643 (2020: €441,523).

The profit in the current period arose from the foreign exchange gains occurring from the conversion of the Company's sterling assets and liabilities to Euro net of the costs of operating the Company during the period.

The Company makes no donations, political or otherwise. There are no foreign branches.

4. DIVIDEND

The directors do not propose the payment of a dividend in respect of the period ended 31 December 2021 (2020: €Nil).

5. GOING CONCERN

During 2015, the Joint Special Liquidators of IBRC decided that, contrary to previous indications, amounts will now be paid to admitted unsecured creditors of IBRC. As the Company has amounts due from IBRC which were fully provided for in 2013, the directors will continue to operate the Company until this matter is resolved. We still await a decision on the admission of amounts due from IBRC into its special liquidation. Assuming they are admitted and once they are appropriately dealt with it is the directors' intention to dissolve the Company.

On the basis of the above assessment, the Directors have prepared the annual financial statements on a basis other than that of a going concern. The directors have considered the ongoing impact of COVID-19, as detailed in note 14, on their going concern assessment and have concluded that it does not change the basis of preparation for these financial statements.

DIRECTORS' REPORT continued

6. FUTURE DEVELOPMENTS

As indicated in section 5 - Going Concern, the key focus of the Company going forward will be the orderly realisation of its assets and the subsequent dissolution of the Company.

7. RISK MANAGEMENT

Details of the principal risks facing the Company and the management of such risks are detailed in note 10 of these financial statements.

8. 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.

9. 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 section 418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and appropriate arrangements are being made for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

10. POST BALANCE SHEET EVENTS

Information on post balance sheet events affecting the Company are set out in note 14 of these financial statements.

REGISTERED OFFICE:
C/o Hold Store Limited
Unit 33A, Enterprise House
44-46 Terrace Road
Walton on Thames
Surrey
KT12 2SD

ON BEHALF OF THE BOARD:

F G Parker - Director
Date: 29 July 2022

IBRC EQUITY LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB). 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, International Accounting Standard 1 require that directors:

- properly select and apply accounting policies;
- 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 in IFRSs are 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
- make an assessment of the Company's ability to continue as a going concern.

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.

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

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of IBRC Equity Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the statement of cash flow; and
- the related notes 1 to 14.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom adopted international accounting standards and IFRSs as issued by the IASB.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) 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 Financial Reporting Council's (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.

Emphasis of matter - Financial statements prepared other than on a going concern basis

We draw attention to note 1.3 in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 respect of these matters.

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the assessment of recoverability of intercompany receivables (other assets) and our specific procedures performed to address it are described below:

- we challenged the level of loan provision recorded by testing the recoverability under each of the potential resolution scenarios and tested the probabilities ascribed to the scenarios by comparison with statistics on the admission of unsecured creditors by the liquidators of the ultimate parent.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

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 period 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.

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

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Use of our report

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.

Christopher Mather

Christopher Mather FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
Date: 29 July 2022

IBRC EQUITY LIMITED

Statement of comprehensive income

For the period ended 31 December 2021

	Note	Period ended 31 Dec 2021 €	Year ended 30 Jun 2020 €
Revenue		-	-
Foreign exchange gains / (losses)	3	11,343	(2,470)
Administrative expenses		(7,223)	(6,506)
Impairment gains on financial assets	4	-	-
Profit / (loss) before taxation	6	4,120	(8,976)
Taxation	7	-	-
Profit / (loss) after taxation		4,120	(8,976)
Other comprehensive income for the period		-	-
Total comprehensive income / (expense) for the period		4,120	(8,976)
Attributable to the owners of the Company		4,120	(8,976)

The notes on pages 12 - 20 form part of these financial statements.

All results are generated from discontinued operations.

IBRC EQUITY LIMITED

Statement of financial position

As at 31 December 2021

	Notes	31 December 2021 €	30 June 2020 €
Current assets			
Other assets	8	314,492	314,492
Cash and cash equivalents		137,899	139,525
Total assets		452,391	454,017
Current liabilities			
Accruals		6,748	12,494
Total liabilities		6,748	12,494
Shareholders' equity			
Share capital	9	2	2
Exchange reserve		(35,461)	(35,461)
Retained earnings		481,102	476,982
Shareholders' funds		445,643	441,523
Total shareholders' equity and liabilities		452,391	454,017

The notes on pages 12 - 20 form part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 29 July 2022.
They were signed on its behalf by:

F.G. Parker
Director

Date: 29 July 2022

Company number: 04311952

IBRC EQUITY LIMITED

Statement of changes in equity

For the period ended 31 December 2021

	Notes	Share Capital €	Exchange Reserve €	Retained Earnings €	Total €
Balance at 01 July 2019		2	(35,461)	485,958	450,499
Total comprehensive expense for the year		-		(8,976)	(8,976)
Balance at 30 June 2020		2	(35,461)	476,982	441,523
Total comprehensive income for the period		-	-	4,120	4,120
Balance at 31 December 2021		2	(35,461)	481,102	445,643

The notes on pages 12 - 20 form part of these financial statements.

IBRC EQUITY LIMITED

Statement of cash flow

For the period ended 31 December 2021

	Period ended 31 Dec 2021 €	Year ended 30 Jun 2020 €
Profit / (loss) before taxation	4,120	(8,976)
Adjustment for non-cash items		
Foreign exchange (gains) / losses	(11,343)	2,470
(Decrease) / increase in accruals	(5,746)	6,471
Impairment gains on financial assets	-	-
Net cash flows used in operating activities	(12,969)	(35)
Net decrease in cash and cash equivalents	(12,969)	(35)
Opening cash and cash equivalents	139,525	142,030
Exchange differences on cash and cash equivalents	11,343	(2,470)
Closing cash and cash equivalents	137,899	139,525

The notes on pages 12 - 20 form part of these financial statements.

Notes to the financial statements

1 General information and accounting policies

1.1 General information

The Company is a private limited company registered in England and Wales and incorporated in the United Kingdom. The principal activity of the Company is to recover its remaining assets and complete an orderly dissolution of the Company.

1.2 Basis of preparation

The financial statements have been prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

The financial statements have been prepared under the historical cost convention. They are presented in Euro which is indicated by the symbols "€" or "EUR".

These financial statements are for an 18 month period to 31 December 2021 and are therefore not comparable to the preceding period which was for the year ended 30 June 2020.

The reported results of the Company are sensitive to the accounting policies, assumptions and estimates that underline the preparation of the financial statements, to select multiple accounting polices, apply them consistently and make judgements and estimates that are reasonable and prudent. The description of the significant accounting estimates and judgements is set out in note 1.12.

1.3 Going concern

During 2015, the Joint Special Liquidators of IBRC decided that, contrary to previous indications, amounts will now be paid to admitted unsecured creditors of IBRC. As the Company has amounts due from IBRC which were fully provided for in 2013, the directors will continue to operate the Company until this matter is resolved. We still await a decision on the admission of amounts due from IBRC into its special liquidation. Assuming they are admitted and once they are appropriately dealt with it is the directors' intention to dissolve the Company.

On the basis of the above assessment, the Directors have prepared the annual financial statements on a basis other than that of a going concern. The directors have considered the ongoing impact of COVID-19, as detailed in note 14, on their going concern assessment and have concluded that it does not change the basis of preparation for these financial statements. No adjustments arose as a result of ceasing to apply the going concern basis.

1.4 Adoption of new accounting standards

A number of amendments and interpretations to IFRS Standards and Interpretations have been published that are effective in annual periods on or after 1 July 2020. These have not resulted in any material changes to the Company's disclosures or on the amounts reported in these financial statements.

1 General information and accounting policies continued

1.5 Taxation (current and deferred)

Current tax is the expected tax payable (shown as a liability) or the expected tax receivable (shown as an asset) on the taxable income for the period adjusted for changes to previous years and is calculated based on the applicable tax law in the United Kingdom. Deferred tax is provided using the liability method on temporary differences arising between the tax bases of assets and liabilities for taxation purposes and their carrying amounts in the financial statements. Current and deferred taxes are determined using tax rates based on legislation enacted or substantively enacted at the financial reporting date and expected to apply when the related tax asset is realised or the related tax liability is settled.

Deferred tax assets are recognised where it is probable that future taxable profits will be available against which temporary differences will be utilised.

Current and deferred taxes are recognised in the statement of comprehensive income in the period in which the profits or losses arise except to the extent that they relate to items recognised directly in equity, in which case taxes are also recognised in equity.

Deferred and current tax assets and liabilities are only offset where there is both the legal right and intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

1.6 Cash and cash equivalents

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

1.7 Financial assets

Financial assets are classified at initial recognition on the basis of the business model within which they are managed and their contractual cash flow characteristics. The classification categories are amortised cost, fair value through other comprehensive income ("FVOCI") and fair value through profit and loss ("FVTPL"). The Company currently only has financial assets classified as amortised cost.

Financial assets that are held to collect contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Initial recognition is at fair value plus directly attributable transaction costs.

1 **General information and accounting policies** continued

1.8 Impairment of financial assets

The Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition ('Stage 1'), and
- financial instruments that have deteriorated significantly in credit quality since initial recognition ('Stage 2').

'Stage 3' would cover financial assets that are deemed to be credit impaired at the reporting date.

'12-month expected credit losses' are recognised for Stage 1 assets while 'lifetime expected credit losses' are recognised for Stage 2 and Stage 3 assets.

'Purchased or originated credit impaired ("POCI") assets are an exception to the general three stage impairment model in IFRS 9. POCI assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at initial recognition. ECL's are only recognised or released to the extent that there is a subsequent change in expected credit losses. In the case of POCI assets, impairment gains are permitted, i.e. the creation of an asset, provided the amount of the impairment gain does not exceed the original impairment losses recognised to date associated with each POCI asset.

Measurement of the expected credit losses is determined by a probability weighted estimate of credit losses over the expected life of the financial instrument.

All increases in expected credit losses are recorded in the income statement under the heading 'impairment losses on financial assets'. A financial asset is written off against the related provisions where there is no reasonable expectations of further recovery action. Subsequent recoveries of amounts previously written off decrease the amount of impairment losses recorded in the income statement.

In the event that a financial asset 'cures', so that it is transferred back to either Stage 2 or Stage 1, then any reversal of expected credit losses will be recorded as a reduction of impairment losses or if greater than the amount of impairment losses in the period shown under the heading 'impairment gains / (losses) on financial assets'. As none of the financial assets carry an interest rate there is no impact on interest income when a financial asset cures.

1 General information and accounting policies continued

1.9 Financial liabilities

Financial liabilities are initially recognised at fair value, being their issue proceeds (fair value of consideration received) net of transaction costs incurred. Financial liabilities are subsequently measured at either amortised cost or fair value through profit or loss. All liabilities, other than those designated at fair value through profit or loss, are subsequently carried at amortised cost. Any difference between proceeds net of transaction costs and the redemption value is recognised in the statement of comprehensive income using the effective interest rate method.

The classification of an instrument as a financial liability or an equity instrument is dependent on the substance of the contractual arrangement. Instruments which carry a contractual obligation to deliver cash or another financial asset to another entity are classified as financial liabilities. Interest on these instruments is recognised in the statement of comprehensive income as an expense.

1.10 Derecognition of financial assets and financial liabilities

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the Company has transferred substantially all the risks and rewards of ownership. If substantially all the risk and rewards have been neither retained nor transferred the assets continue to be recognised to the extent of the Company's involvement.

Financial liabilities are derecognised when they are extinguished.

1.11 Foreign currency translation

Functional and presentational currency

The financial statements are presented in Euro, 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.

1.12 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 the directors to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the end of each reporting date and the amounts reported for revenues and expenses during the period. However, the nature of estimation means that actual outcomes may differ from those estimates.

Critical accounting judgements

The following are the critical judgements that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Functional currency

The Company changed its functional currency from Sterling to Euro on 1 July 2018 as it had ceased its sterling based business save for some sterling cash balances placed with its bankers. The Company is in active discussions with the parent undertaking on the closure process for the Company and the UK group. Given the parent company is a Euro based entity the directors believe that a change of functional currency to the Euro is appropriate from 1 July 2018 given the close cooperation and engagement with the parent undertaking in this process and the cessation of its sterling based business.

Notes to the financial statements continued

1 **General information and accounting policies** continued

1.12 Accounting estimates and judgements - continued

Critical accounting judgements *- continued*

Deferred Tax Asset

The Company has deferred tax assets which are not being recognised as it is not anticipated that the Company will generate taxable profits in the forseeable future. Further details are given in note 7.

Key sources of estimation uncertainty

The directors consider that the expected credit losses provisions are a key source of estimation uncertainty which, depending on a range of assumptions, could result in a material adjustment to the carrying amounts of assets in the next financial year.

Other Assets - Expected Credit Losses ("ECL")

Amounts due from the parent undertaking have been fully impaired in earlier years. These amounts have not yet been accepted as claims in the special liquidation of IBRC. Under IFRS 9, a probability weighted estimate of expected credit losses over the expected life of the amounts outstanding is required to be determined by management giving rise to different likelihoods of recovery under various scenarios. Changes in such assumptions can materially affect the level of expected credit losses and thus the impairment provision carried against these amounts.

Further details are given in note 8.

The table below shows the impact on the Company's ECL's resulting from whether or not amounts due from IBRC are admitted as unsecured creditors:

	Not admitted	**Admitted**
	€	**€**
Increase / (Decrease) in ECL's	314,492	(314,492)

1.13 Standards issued but not yet effective

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:

- Amendments to IAS 1 and IAS 8 - definition of material
- Amendments to IAS 1 - classification of liabilities as current or non-current
- Amendments to IAS 1 and IFRS Practice Statement 2 - disclosure of accounting policies
- Amendments to IFRS 3 - reference to the Conceptual Framework
- Amendments to IAS16 - property, plant and equipment - proceeds before intended use
- Amendments to IAS37 - onerous contracts - cost of fulfilling a contract

- Amendments to IAS 8 - accounting policies, changes in accounting estimates and errors, definition of accounting estimate
- Annual improvements to IFRS Standards 2018-2020 - IFRS 16 Leasess and IFRS 9 Financial Instruments

These standards are not expected to have any impact on the Company.

2 **Segmental reporting**

The Company only has one reporting segment which is investment and one geographic segment which for reporting purposes is the United Kingdom.

3 **Foreign exchange gains / (losses)**

	Period ended 31 Dec 2021	Year ended 30 Jun 2020
	€	€
Net foreign exchange gain / (loss)	11,343	(2,470)

The foreign exchange gains / (losses) in the current and prior periods resulted from the difference in translation of the non-euro assets and liabilities to euro at the closing rate compared to the opening rate of exchange.

Notes to the financial statements continued

4 Impairment gains on financial assets

	Period ended 31 Dec 2021	Year ended 30 Jun 2020
	€	€
Impairment gains arising on amounts due from parent undertaking	-	-

Given the special liquidation of IBRC, provision was made in 2013 against the recoverability of the amount due at the date of IBRC's special liquidation, being 7 February 2013. As a result of the announcement by the joint special liquidators of IBRC ('JSL's) that they would be paying 100c in the euro to admitted unsecured creditors, an impairment gain arising on amounts due from the parent undertaking was recognised in 2019 taking into account amounts due from IBRC have not yet been admitted. Additional changes to such impairment gains will be recorded once further information regarding admission is obtained from the JSL's. Further details are given in notes 8 and 13.

5 Directors' emoluments

The directors received no remuneration during the year (2020: €nil). The Company has no employees (2020: none).

6 Auditor's remuneration

The audit fee relating to the Company was €5,623 (2020: €5,480). No other advisory services were provided.

7 Taxation

	Period ended 31 Dec 2021	Year ended 30 Jun 2020
Corporation tax	**€**	€
- Current year	-	-
- Prior year	-	-
	-	-
Effective tax rate	0%	0%

The reconciliation of total tax on profit / (loss) on ordinary activities at the standard corporation tax rate to the Company's actual total tax charge is analysed as follows:

Profit / (loss) before taxation	4,120	(8,976)
Profit / (loss) on ordinary activities before taxation at 19% (2020: 19%)	783	(1,705)
Effects of:		
Current year losses where no deferred tax asset is recognised	-	1,705
Utilisation of profits against unrecognised deferred tax assets	(783)	-
Total taxation	-	-

In the March 2021 Budget it was announced that the UK corporation tax rate would increase to 25% from 1 April 2023. Substantive enactment of this announcement occurred on 23 May 2021 resulting in deferred tax balances being measured at a rate of 25% (2020: 19%). As the Company has neither a deferred tax asset nor a deferred tax liability, there is no impact on the Company's results.

The Company has not recognised a deferred tax asset of €8,752 in respect of losses carried forward (2020: €7,441). This is due to no taxable profits being anticipated in the future. The gross value of the unutilised taxation losses carried forward is €35,006 (2020: €39,164).

Notes to the financial statements continued

8 Other assets

	31 Dec 2021	30 Jun 2020
	€	€
On initial recognition		
Amount due from parent undertaking	-	-
	-	-
Impairment provisions		
Opening Balance 30 June 2020 / 30 June 2019	(314,492)	(314,492)
Impairment gain	-	-
Closing Balance 31 December 2021 / 30 June 2020	(314,492)	(314,492)
Net Carrying Value	314,492	314,492

The amounts due from the parent undertaking, IBRC, are repayable on demand. During the year, no interest was charged (2020: £nil) by the Company. Full provision was made against the amounts due from IBRC in 2013.

As a result of Irish insolvency law, on 7 February 2013, being the date of IBRC entering special liquidation in Ireland, all amounts due to IBRC were deemed set off against amounts due from IBRC and a full impairment provision was made against all the net amounts due from IBRC on that date. In addition, as a result of Irish insolvency law, all net amounts due from IBRC in non Euro currencies were deemed converted to Euro on that date. Consequently, the original net amounts due from IBRC in each non Euro currency and the related impairment provisions were derecognised on 7 February 2013 and a replacement Euro asset due from IBRC was recognised at the exchange rate determined by the joint special liquidators of IBRC for settling claims. As no recoveries were expected at that date the Euro amounts recognised as an asset were recorded with a fair value of €nil on initial recognition.

As the amounts due from the parent undertaking are POCI assets, it is permitted to recognise the reversal of impairment provisions in an amount greater than the initial fair value of the POCI assets and, therefore, to have the concept of an impairment gain leading to an asset as detailed in the accounting policy at note 1.8.

An assessment of the expected credit losses has been carried out based on the statements made by the joint special liquidators of IBRC and taking into account the fact that the above amounts have not been admitted as an unsecured creditor of IBRC at the reporting date using a probability based approach.

9 Share capital

	31 Dec 2021	30 Jun 2020
	£	£
Ordinary share capital		
Ordinary shares of £1 each		
Authorised: 1,000 Ordinary shares of £1	1,000	1,000
	€	€
Allotted, called up and fully paid		
1 Ordinary share of £1 each	2	2

These shares have no fixed right to a dividend and carry all the voting rights of the Company.

Notes to the financial statements continued

10 Risk management and control

The Company is subject to a variety of risks and uncertainties in the normal course of its business activities. The principal risks and uncertainties facing the Company relate to credit risk on its amounts due from the parent undertaking and amounts due from the Company's bankers.

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 amounts due from its parent undertaking, IBRC, and on amounts due from the Company's bankers.

The credit risk of funds held with the Company's bankers is mitigated by the strong credit rating of the bank. The credit risk of IBRC is assessed based on the likelihood of the amounts due being admitted by the joint special liquidators. The directors are of the view that if such amounts are admitted there is minimal credit risk in respect of IBRC given the statements made by the joint special liquidators of IBRC.

Market risk

Market risk is the risk of a potential adverse change in income or financial position 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 exchange rates and interest rates.

All financial assets and liabilities are held in either sterling or euro. Due to the change in functional and presentation currency on 1 July 2018, to the extent assets and liabilities are held in sterling, the Company will be exposed to exchange rate risk.

The Company's financial assets and liabilities have no interest rates applied to them so the Company does not suffer interest rate risk. All financial assets and liabilities are held at amortised cost.

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.

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.

The management of operational risk is monitored by the Board of Directors.

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 Directors monitor the activities of the Company and take appropriate advice to ensure that the Company continues to be compliant with all of its obligations.

11 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.

Given the limited activity of the Company, no capital position is presented.

Notes to the financial statements continued

12 Controlling party

In the opinion of the directors, the Company's ultimate parent company and ultimate controlling party is Irish Bank Resolution Corporation Limited - in special liquidation ("IBRC"), a company incorporated in the Republic of Ireland. The Company's immediate controlling party is also Irish Bank Resolution Corporation Limited - in special liquidation.

13 Related party transactions

The Company has provided a loan to the parent undertaking of the company, IBRC. The total amount of undiscounted expected credit losses at initial recognition of this loan at 31 December 2021 was €628,985 (2020: €628,985). The loan is interest free and is repayable on demand.

Full provision was made against the amounts due from IBRC in 2013. Under the adoption of IFRS 9, the impairment provisions made against the amounts due from IBRC have been reassessed on an expected credit loss basis with certain amounts released on the transition to IFRS 9 in prior years. Further amounts have subsequently been released through the statement of comprehensive income in 2019.

There were no other related party transactions or balances requiring disclosure.

14 Events after the balance sheet date

There has been a significant reduction in government action in respect of COVID-19 since the year end. There has also been a significant increase in inflation globally and the commencement of a conflict in Ukraine. None of these events are expected to have an impact on the Company's cash flows, liquidity, profitability or the carrying value of the assets on the statement of financial position given the nature of the Company's current activities.