

COLSTON NO. 2 PARENT LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011



COLSTON NO. 2 PARENT LIMITED

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COMPANY INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2011

Board of Directors at 31 December 2011

Capita Trust Corporate Limited

Capita Trust Corporate Services Limited

Sean Martin (Appointed 25 July 2011)

David Ross Baker (Resigned 25 July 2011)

Company Secretary

Capita Trust Secretaries Limited

The Registry

32 Beckenham Road

Beckenham

Kent

BR3 4TU

Registered Office

4th Floor

40 Dukes Place

London EC3A 7NH

Registered Number 6569576

COLSTON NO. 2 PARENT LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2011

The Directors present their report and audited financial statements for Colston No 2 Parent Limited ("the Company") for the year ended 31 December 2011

The choice of accounting reference date is to align with that of the related party, The Governor and Company of the Bank of Ireland ("Bank of Ireland")

Principal activities

The Company's principal activity is to hold shares in Colston No 2 plc. The principal activity of Colston No 2 plc is the management of a portfolio of mortgage loans and the collection of payments of principal and interest on them, funded primarily by the issuance of debt securities in the form of floating rate notes ("Notes") to Bank of Ireland. All activities relate to residential mortgages in the United Kingdom, where both the Company and Colston No 2 plc are incorporated and domiciled.

Business review and future developments

The Company has not traded during the year (2010 did not trade). As a result no key performance indicator analysis is considered necessary. The Directors do not consider the principal activity of the Company will change in the nearest future.

Subsequent events

The Directors consider that subsequent events in the global and UK economies will not have a material effect on the Company.

Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Directors and their interests

Directors who served in office during the year are stated on page 2.

During the year, no Director held any interest in the shares of the Company. There is no requirement for the Directors to disclose their interest in shares in, or debentures of, any body corporate incorporated outside of Great Britain.

During the year, no Director or connected person had any interest in any contract of significance with the Company.

COLSTON NO. 2 PARENT LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the 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.

The Directors are responsible for the maintenance and integrity of the Company's data which is published on the Bank of Ireland Group website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

The Directors have not required the Company to obtain an audit in accordance with section 476 of the Companies Act 2006.

On behalf of the Board

For and on behalf of Capita Trust Corporate Services Limited



Paul Glendenning
Director
12 September 2012

COLSTON NO. 2 PARENT LIMITED
Registered number: 6569576

BALANCE SHEET

AS AT 31 DECEMBER 2011

	Note	31 December 2011	31 December 2010
		£	£
Assets			
Investments	4	50,000	50,000
Cash and cash equivalents		2	2
Total assets		50,002	50,002
Equity and liabilities			
Term loan	5	12,502	12,502
Trade and other payables	5	37,498	37,498
Total non-current liabilities		50,000	50,000
Equity			
Called up share capital	6	2	2
Equity attributable to owners of the parent		2	2
Total equity and liabilities		50,002	50,002

The Company had no other recognised gains or losses during either year

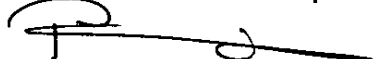
(a) For the year ended 31 December 2011 the Company was entitled to exemption under section 480 of the Companies Act 2006, relating to dormant companies

(b) The Directors have not required the Company to obtain an audit in accordance with section 476 of the Companies Act 2006

(c) The Directors acknowledge their responsibility for ensuring the Company keeps accounting records which comply with section 386, and preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of the financial year, and of its profit or loss for the financial year, in accordance with the requirements of section 393, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the Company

These financial statements were approved by the Board of Directors on 12 September 2012 and signed on its behalf by

For and on behalf of Capita Trust Corporate Services Limited



Paul Glendenning - Director
12 September 2012

COLSTON NO. 2 PARENT LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2011

	Attributable to equity holders of the Company	
	Ordinary share capital	Total
	£	£
Balance as at 31 December 2010		
Retained profit for the year ended 31 December 2011	-	-
Total recognised changes in equity	-	-
Balance as at 31 December 2011		

The notes on pages 8 to 11 are an integral part of these financial statements

COLSTON NO. 2 PARENT LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	31 December 2011 £	31 December 2010 £
Cash flows from investing activities			
Acquisition of shares in subsidiary undertaking		-	-
Net cash used in investing activities		-	-
Cash flows from financing activities			
Issuance of share capital	6	-	-
Increase in term borrowings	5	-	-
Net cash generated from financing activities		-	-
Net increase in cash and cash equivalents		-	-
Cash and cash equivalents at beginning of the year		2	2
Cash and cash equivalents at end of the year		2	2

The notes on pages 8 to 11 are an integral part of these financial statements

COLSTON NO. 2 PARENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

1. Accounting policies

General information

The Company is a limited liability company incorporated and domiciled in United Kingdom. The address of its registered office is 7th Floor, Phoenix House, 18 King William Street, London, EC4N 7HE.

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The financial statements have been prepared under the historical cost convention and on the going concern basis.

The Company's profit and loss account has not been included in these financial statements on the basis that the Company did not trade during the current or previous year and consequently made neither a profit nor a loss.

These financial statements are prepared as 'separate' financial statements in accordance with Section 394 of the Companies Act 2006 since the Company did not have any subsidiaries at 31 December 2010. The Company holds 99.9% of the share capital of Colston No 2 plc. However, since that entity is controlled by The Governor and Company of the Bank of Ireland, it is not a subsidiary of the Company.

Investments

Investments are accounted for at cost.

Cash and cash equivalents

Cash and cash equivalents comprise balances with banks which can be withdrawn on demand.

COLSTON NO. 2 PARENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

2. Directors and employees

The Directors received no remuneration (2010 £nil) and there were no employees during the year (2010 none)

3. Investments

	31 December 2011 £	31 December 2010 £
Cost		
Investment in shares	50,000	50,000

Investment in shares represents the Company's shareholding in Colston No 2 plc, whose registered office is 7th floor, Phoenix House, 18 King William Street, London, EC4N 7HE

The Company has a 99.9% shareholding in Colston No 2 plc. The remaining ordinary share is held by the Company's parent company Capita Trust Nominees No 1 Limited as nominee of the Company under the terms of a share trust dated May 2008. Colston No 2 plc is controlled by The Governor and Company of the Bank of Ireland, and therefore it is not a subsidiary of the Company.

Colston No 2 plc's results are included within the consolidated financial statements of The Governor and Company of the Bank of Ireland, a company incorporated by Royal Charter and registered in the Republic of Ireland. Copies of the consolidated financial statements can be obtained from Bank of Ireland's Head Office in 40 Mespil Road, Dublin 4.

COLSTON NO. 2 PARENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

4. Non-current liabilities: Trade and other payables

	31 December 2011 £	31 December 2010 £
Other long-term loan	12,502	12,502
Share capital subscribed to but not paid	37,498	37,498
	<u>50,000</u>	<u>50,000</u>

The term loan is with the Trustee Company, Capita Trust Nominee No 1 Limited ("the lender") Interest is due annually at the rate of LIBOR + 2% As per the term loan agreement, the Company is only obliged to pay amounts owing under the term loan to the extent of the sums received or recovered (by way of dividend or otherwise) from its subsidiary undertaking The obligation of the Company to make payments under the term loan agreement will be limited to such sums received and the lender will have no further recourse to, and shall not exercise any right of set-off against, the Company in respect thereof There is no fixed repayment date

Share capital subscribed to but not paid represents the amount still owed as at 31 December 2010 to Colston No 2 plc in respect of the 49,998 partly paid up £1 shares 75p per share remains unpaid at the period end The outstanding amount is not expected to be paid within 12 months of the balance sheet date

5. Called Up Share capital

	31 December 2011 £	31 December 2010 £
Authorised Equity shares		
100 Ordinary shares of £1 00 each	<u>100</u>	<u>100</u>
Allotted, issued and fully paid Equity shares		
2 Ordinary shares of £1 00 each	<u>2</u>	<u>2</u>

6. Related parties

The Directors consider that the Company is related to its ultimate parent The Governor and Company of the Bank of Ireland, and to Capita Trust Nominees No 1 Limited

At the balance sheet date there were no amounts due from or owed by the Company to The Governor and Company of the Bank of Ireland (2010 £nil)

COLSTON NO. 2 PARENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

6. Related parties (continued)

The entire issued share capital of the Company is held by Capita Trust Nominees No 1 Limited under the terms of a trust established under English law by a declaration of trust dated 15 May 2008 for the benefit of certain charitable purposes

At the balance sheet date the Company has a term loan outstanding for £12,502 with Capita Trust Nominees No 1 Limited ("the lender") As per the term loan agreement, the Company is only obliged to pay amounts owing under the term loan to the extent of the sums received or recovered (by way of dividend or otherwise) from its subsidiary undertaking The obligation of the Company to make payments under the term loan agreement will be limited to such sums received and the lender will have no further recourse to, and shall not exercise any right of set-off against, the Company in respect thereof There is no fixed repayment date

7. Parent companies

The entire share capital of the Company is held by Capita Trust Nominees No 1 Limited, a company incorporated in the United Kingdom that holds its shares in Colston No 2 Parent Limited on a discretionary trust basis for certain charitable purposes

For accounting purposes, the Company's ultimate parent and controlling party is The Governor and Company of the Bank of Ireland Following the securitisation issue by Colston No 2 plc on 15 June 2008, effective control of the Company and Colston No 2 plc passed to The Governor and Company of the Bank of Ireland on that date

Under International Financial Reporting Standards the results of the Company and Colston No 2 plc are included in the consolidated financial statements of the Bank of Ireland Group These can be obtained from Bank of Ireland's Head Office in 40 Mespil Road, Dublin 4