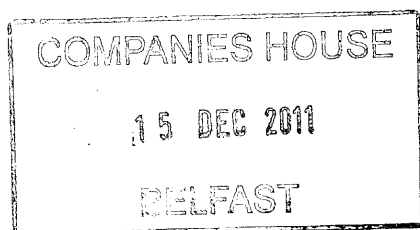


ClearCo Services Limited
Report and Financial Statements
for the Year ended 31 March 2011



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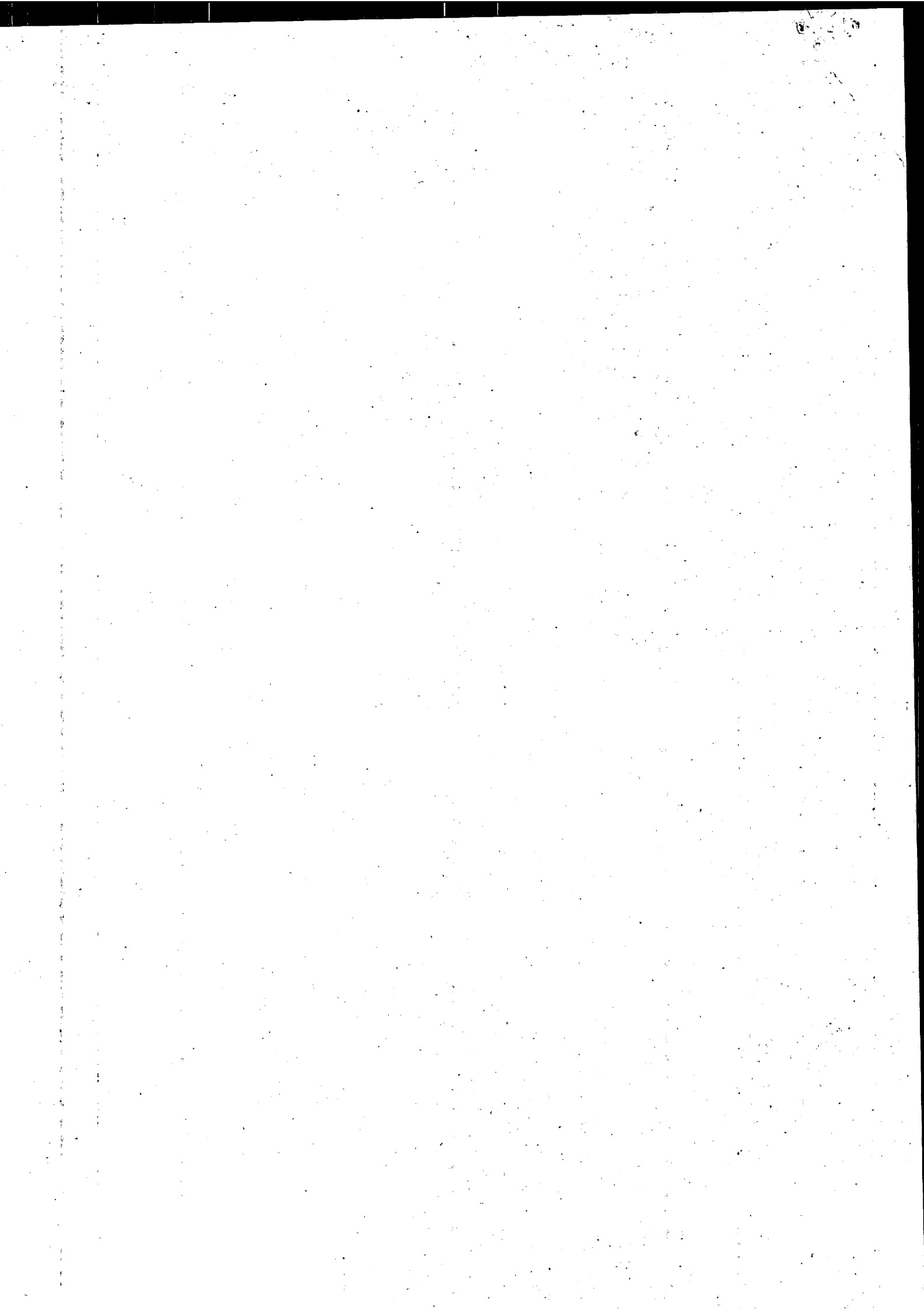
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ClearCo Services Limited

Report and Financial Statements for the year ended 31 March 2011

	Pages
Directors and advisers	1
Directors' report	2
Directors' responsibilities statement	4
Independent auditor's report	5
Income statement	7
Balance sheet	8
Statement of changes in equity	9
Cash flow statement	10
Notes to the financial statements	11 – 18

ClearCo Services Limited

Directors and advisers

Directors

C Henry
A Hughes
J Molloy
S Matchett
D Coogan
D Martin

Secretary

T C Smyth

Registered Office

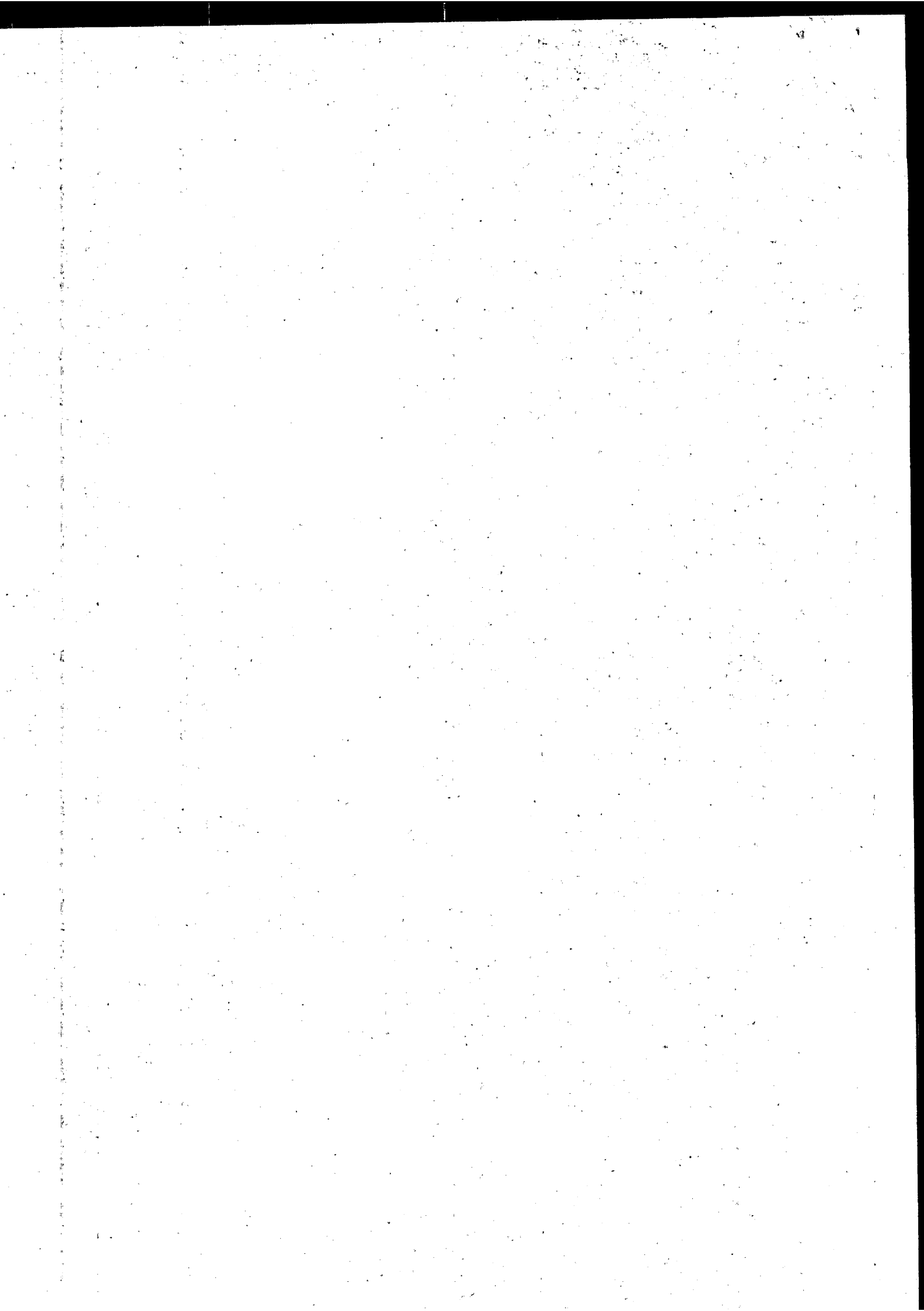
Lagan House
19 Clarendon Dock
Belfast

Bankers

Bank of Ireland
Middleton Buildings
High Street
Belfast

Independent Auditor

Deloitte LLP
Belfast



ClearCo Services Limited

Directors' report for the year ended 31 March 2011

The directors present their report together with the audited financial statements of the company for the year to 31 March 2011.

Principal activities

The company is a joint venture between The Governor & Company of the Bank of Ireland and Allied Irish Banks Plc and provides clearing services to the financial services sector in Northern Ireland.

Review of business and future developments

The company ceased trading in September 2009 as explained in note 1. The financial statements have been prepared on a basis other than that of a going concern which includes, where appropriate, writing down the company's assets to net realisable value. Provision has also been made for any contractual commitments that have become onerous at the balance sheet date. The financial statements do not include any provision for the future costs of terminating the business of the company except to the extent that such costs were committed at the balance sheet date. The average number of employees of the company are detailed in Note 3.

Risks and uncertainties

Liquidity, credit and operational risk are a normal part of the company's activities.

The directors do not consider there to be any significant risks within the company as the majority of transactions were conducted with the two parent companies. Further details on risks are provided in note 18 to the accounts.

Results and dividends

The detailed results are shown on page 7. The loss after taxation for the year is £85,284 (2010: £175,222 loss). No dividend is proposed for the year (2010: £nil).

Political and charitable contributions

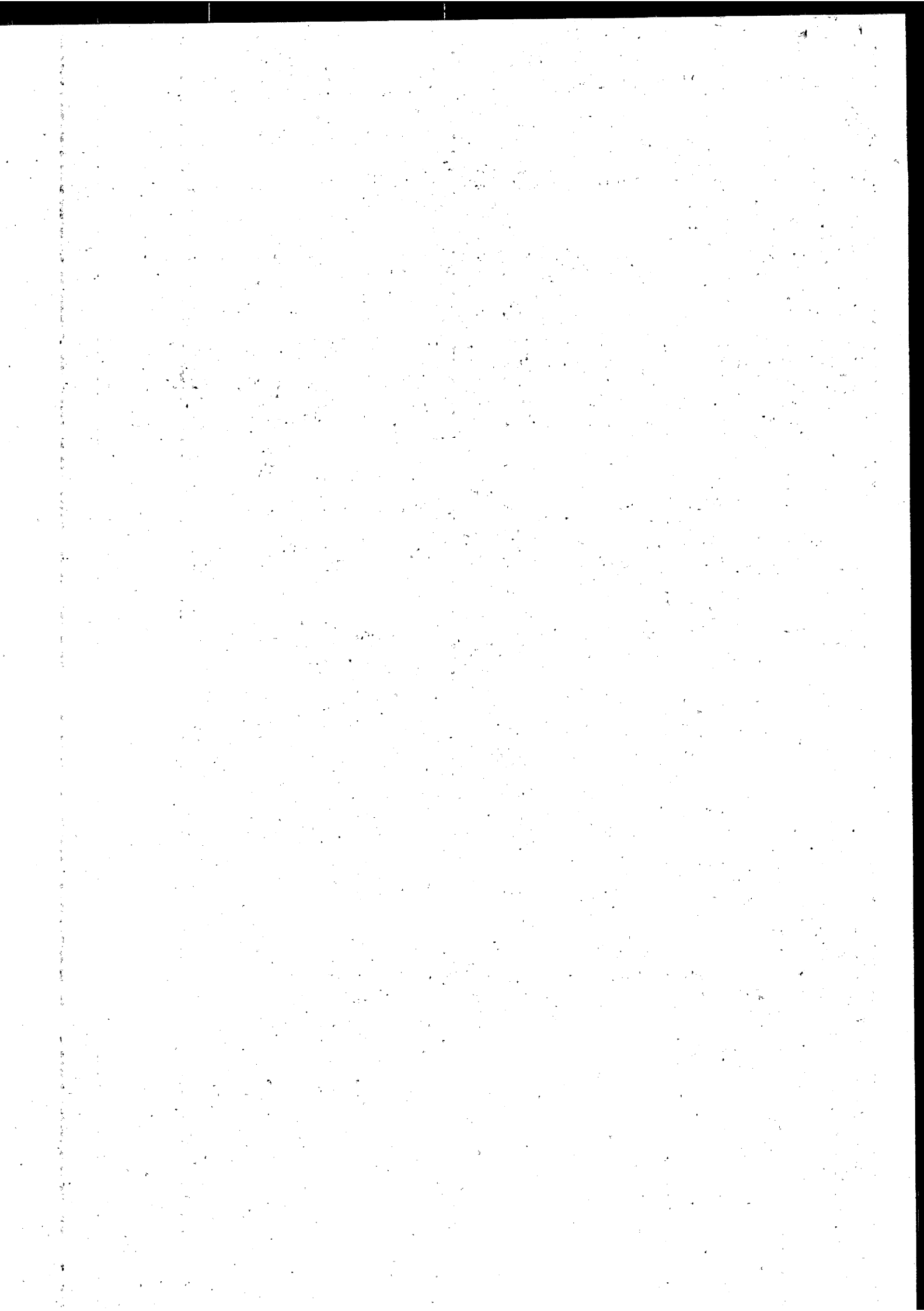
The company did not make any political donations during the year (2010: £nil). The company did not make any charitable donations during the year (2010: £1,578).

Directors and their interests

The directors who served during the period are as follows:

C Henry
A Hughes
J Molloy
S Matchett
D Coogan
D Martin

Both of the ordinary shares of the company are held equally by Miss A Hughes and Mr S Matchett in trust for Allied Irish Banks Plc and The Governor & Company of the Bank of Ireland. As such neither director has any beneficial interests in the company.



ClearCo Services Limited

Directors' report for the year ended 31 March 2011 *(continued)*

Auditors

Each of the persons who is a director at the date of approval of this annual 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/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

By order of the Board

T C Smyth
Secretary

13 December 2011

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ClearCo Services Limited

Directors' responsibilities statement

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

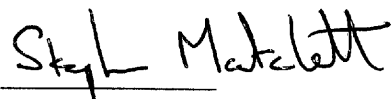
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors 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, International Accounting Standard 1 requires 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.

By order of the Board



S Matchett
Director

13 December 2011

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ClearCo Services Limited

Independent auditor's report to the members of ClearCo Services Limited

We have audited the financial statements of Clearco Services Limited for the year ended 31 March 2011 which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement, the Statement of Changes in Equity and the related notes 1 to 16. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 auditors' 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 auditors

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. 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 (APB'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:

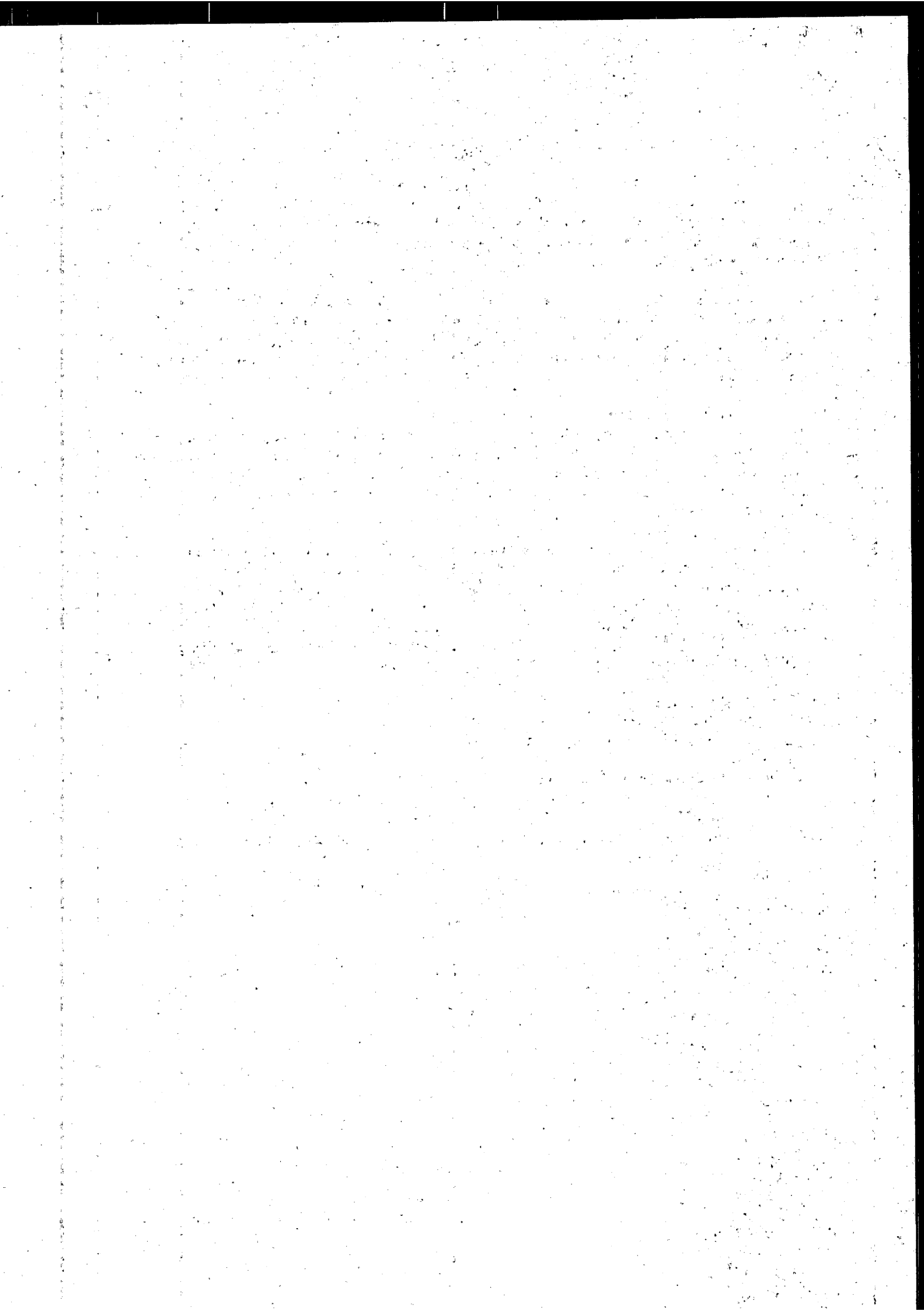
- give a true and fair view of the state of the company's affairs as at 31 March 2011 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

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.



ClearCo Services Limited

Independent auditor's report to the members of ClearCo Services Limited (continued)

Matters on which we are required to report by exception

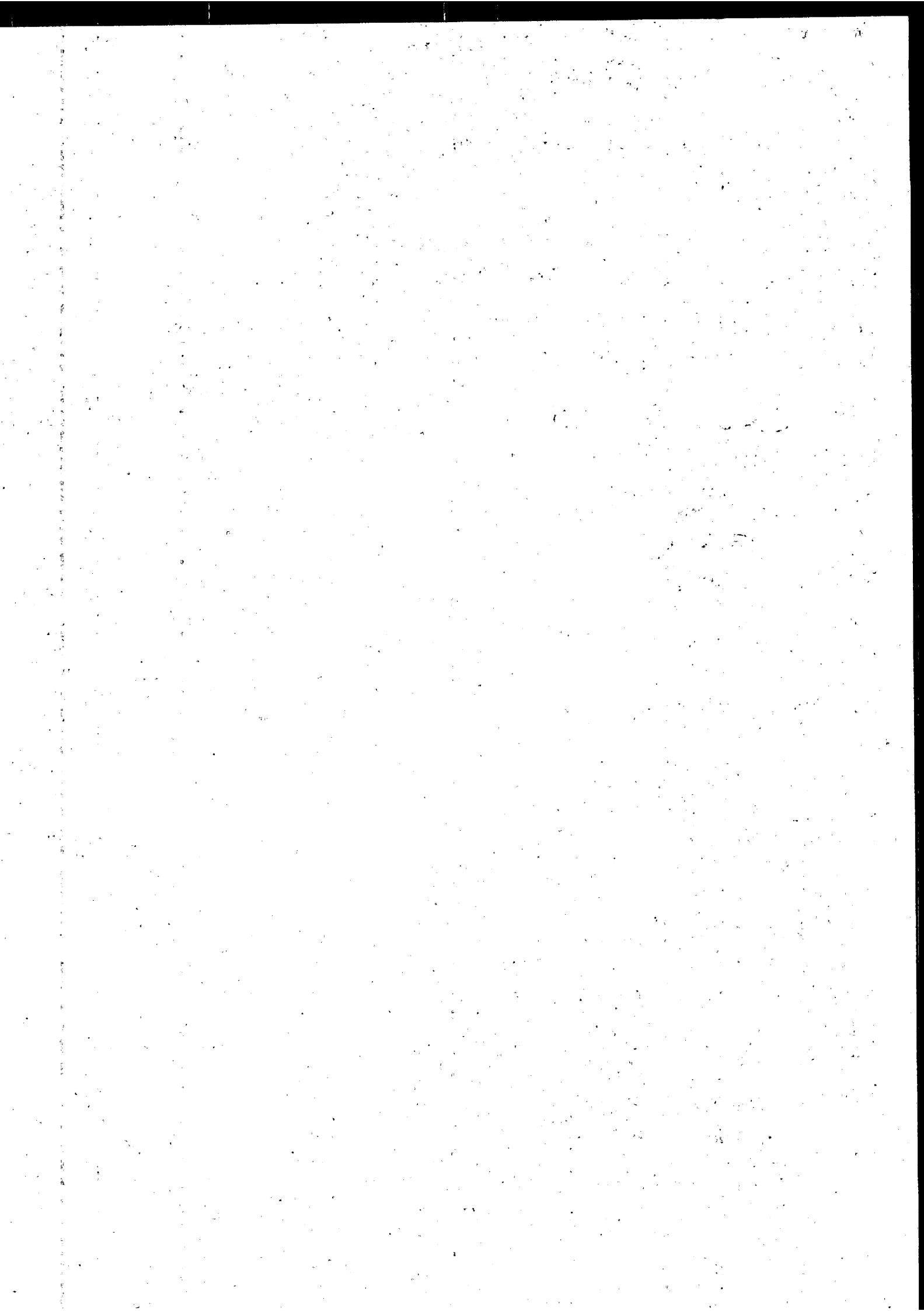
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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.



David Crawford CA, ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Belfast, United Kingdom

13/12/14



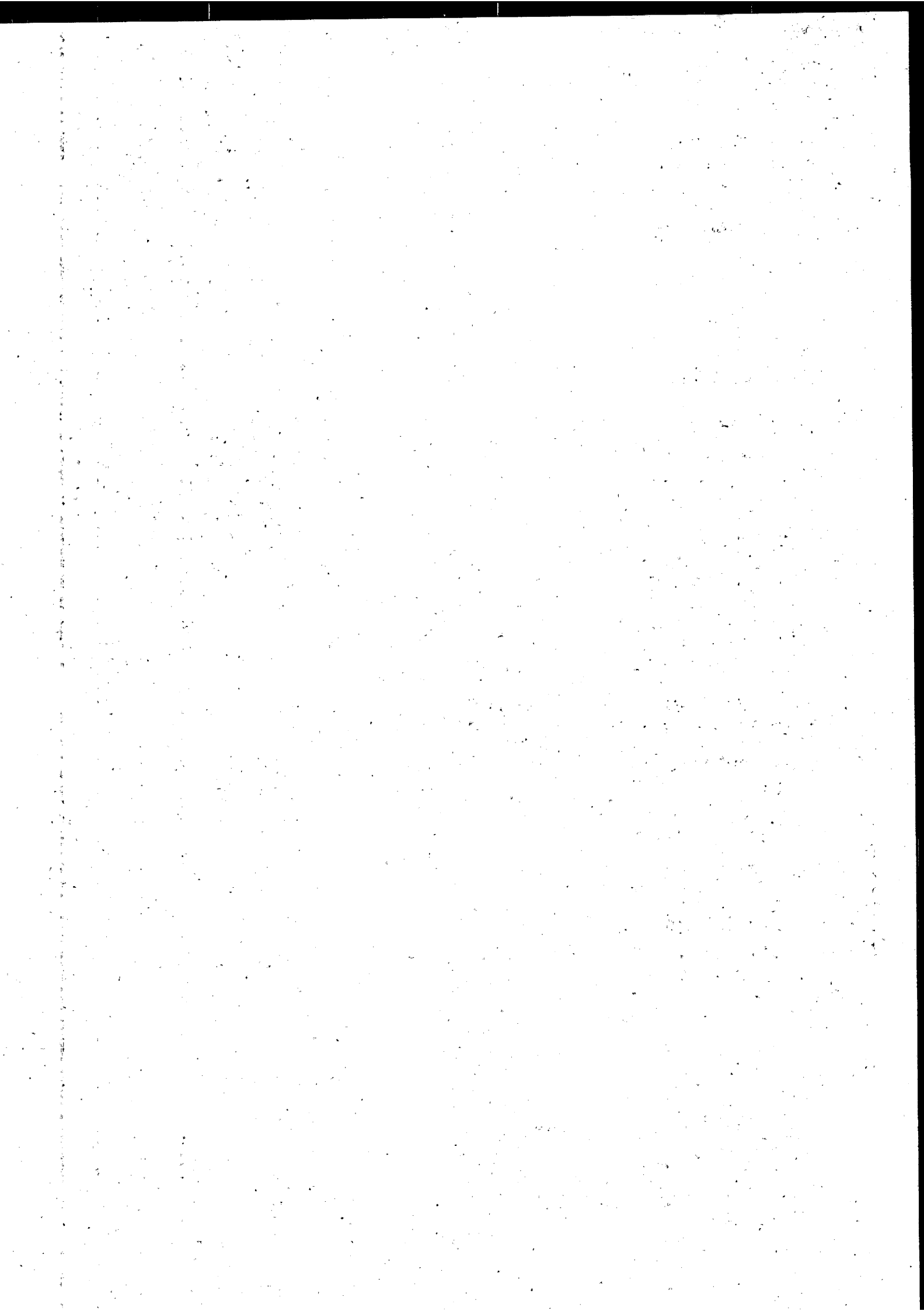
ClearCo Services Limited

Income Statement for the year ended 31 March 2011

		Year ended 31 March 2011 £	Year ended 31 March 2010 £
Revenue	<i>Notes</i> 1	-	666,899
Total operating income		-	666,899
Staff Costs	3	(817)	(379,891)
Other Operating Costs		(44,303)	(530,869)
Total operating expenses		(45,120)	(910,760)
Loss before tax	2	(45,120)	(243,861)
Taxation (Charge) / Refund	5	(40,164)	68,639
Loss for the year	12	(85,284)	(175,222)

The notes on pages 11 to 18 form part of these financial statements. All reported losses in the current year arise from discontinued operations. In the prior year the company ceased trading on 30th September 2009.

There were no other gains or losses to be recognised as other comprehensive income in both years and accordingly a separate statement of comprehensive income has not been presented.



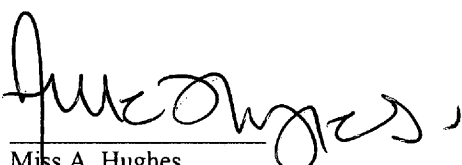
ClearCo Services Limited

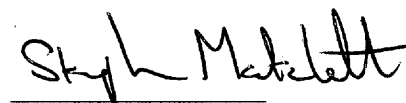
Balance sheet as at 31 March 2011

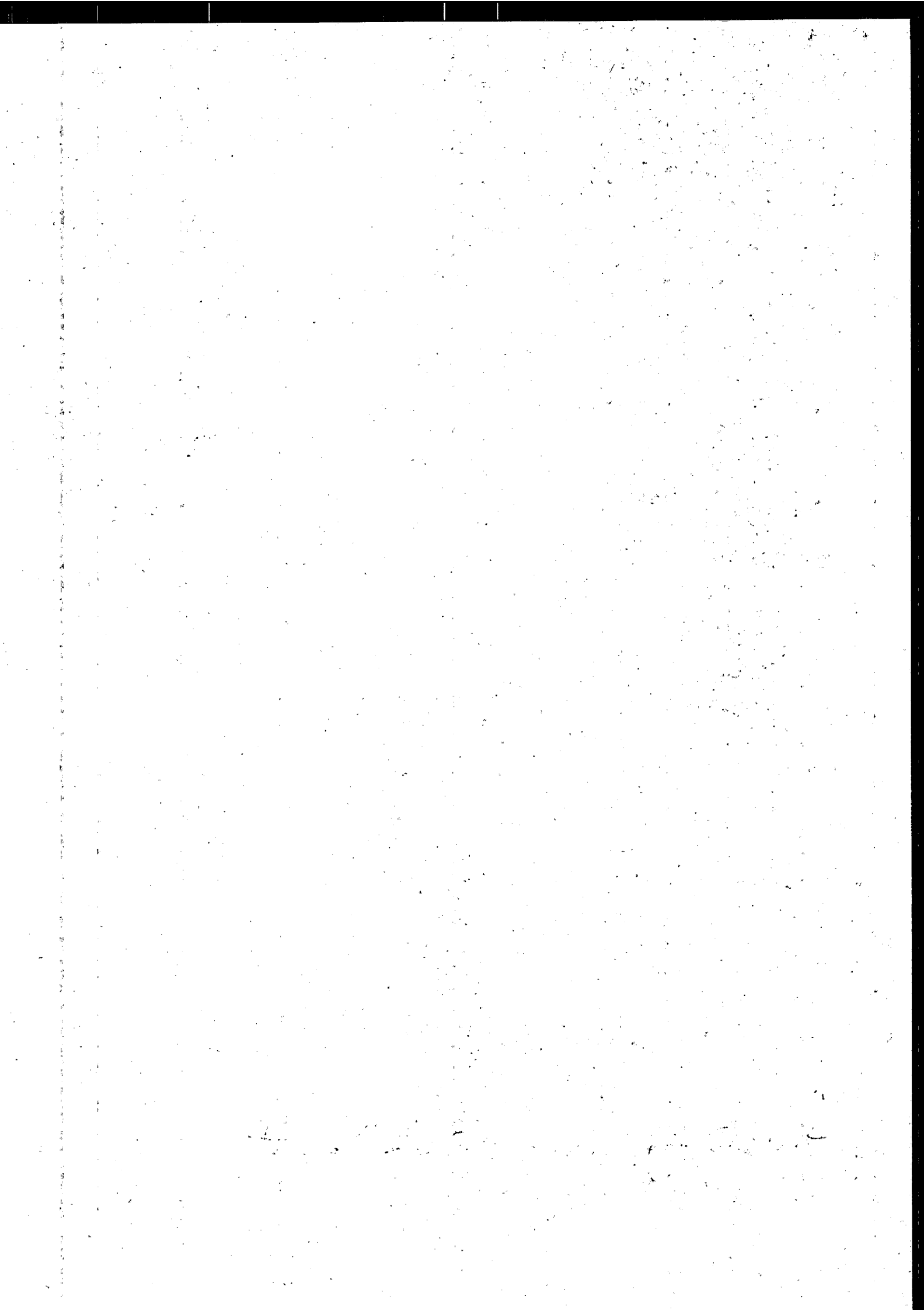
		31 March 2011	31 March 2010
	Notes	£	£
Non Current Assets			
Deferred tax asset	8	-	-
Current assets			
Trade and other receivables	6	402	130,403
Current tax asset		214,039	372,872
Cash and cash equivalents	7	428,125	344,005
Total Current Assets		642,566	847,280
Total Assets		642,566	847,280
Current liabilities			
Trade and other payables	9	(508,641)	(506,367)
Onerous lease provision	10	(246,231)	(173,065)
Total Current Liabilities		(754,872)	(679,432)
Net Current Assets		(112,306)	167,848
Non Current Liabilities			
Onerous lease provision	10	-	(194,870)
Total Liabilities		(754,872)	(874,302)
Net (Liabilities) / Assets		(112,306)	(27,022)
Equity			
Share capital	11	2	2
Retained Earnings		(112,308)	(27,024)
Total equity		(112,306)	(27,022)

The notes on pages 11 to 18 form part of the financial statements.

The financial statements of ClearCo Services Limited, registered number NI43471, were approved by the Board of Directors on 13 December 2011.


Miss A. Hughes
Director

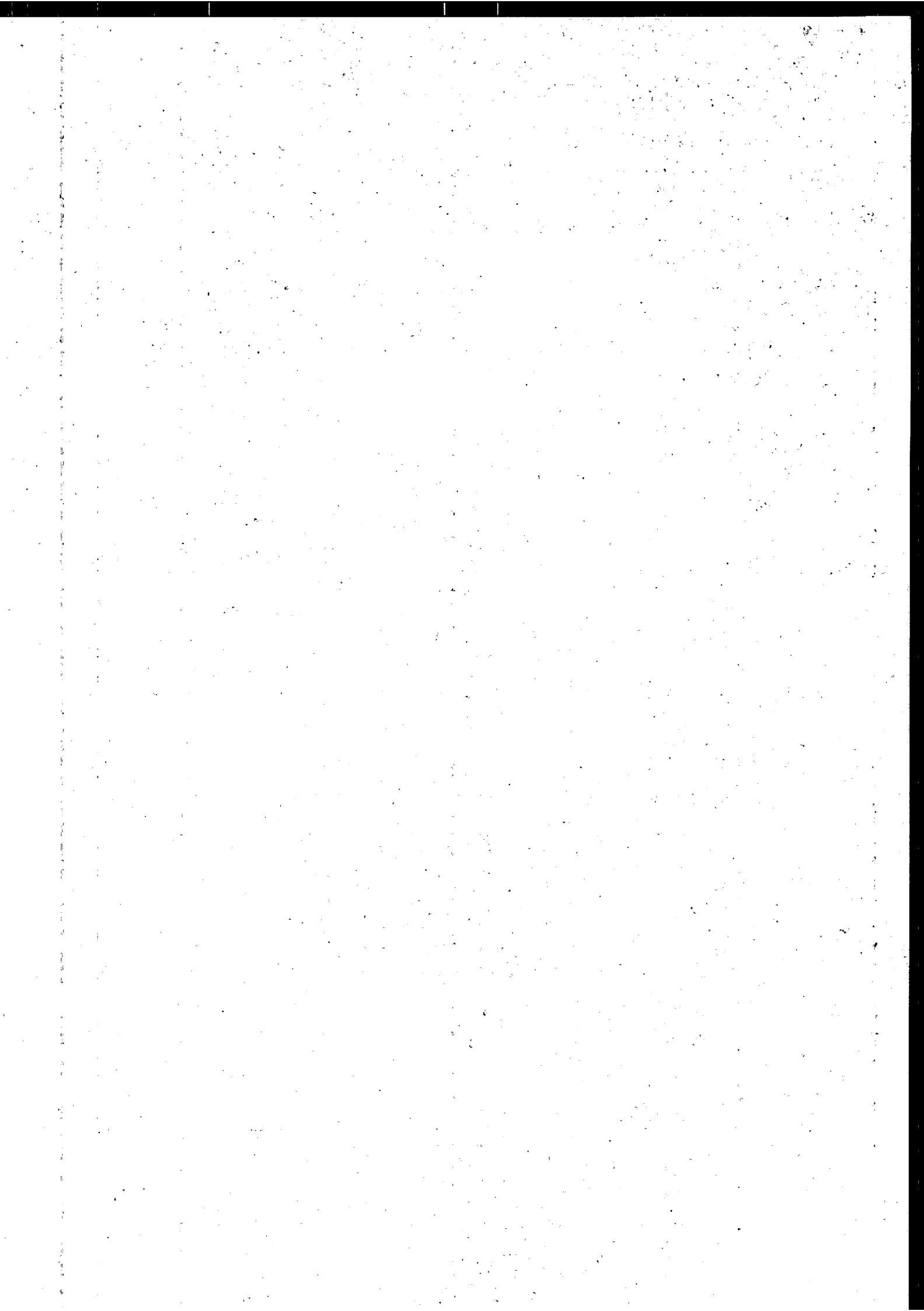

Mr S. Matchett
Director



ClearCo Services Limited

Statement of changes in equity as at 31 March 2011

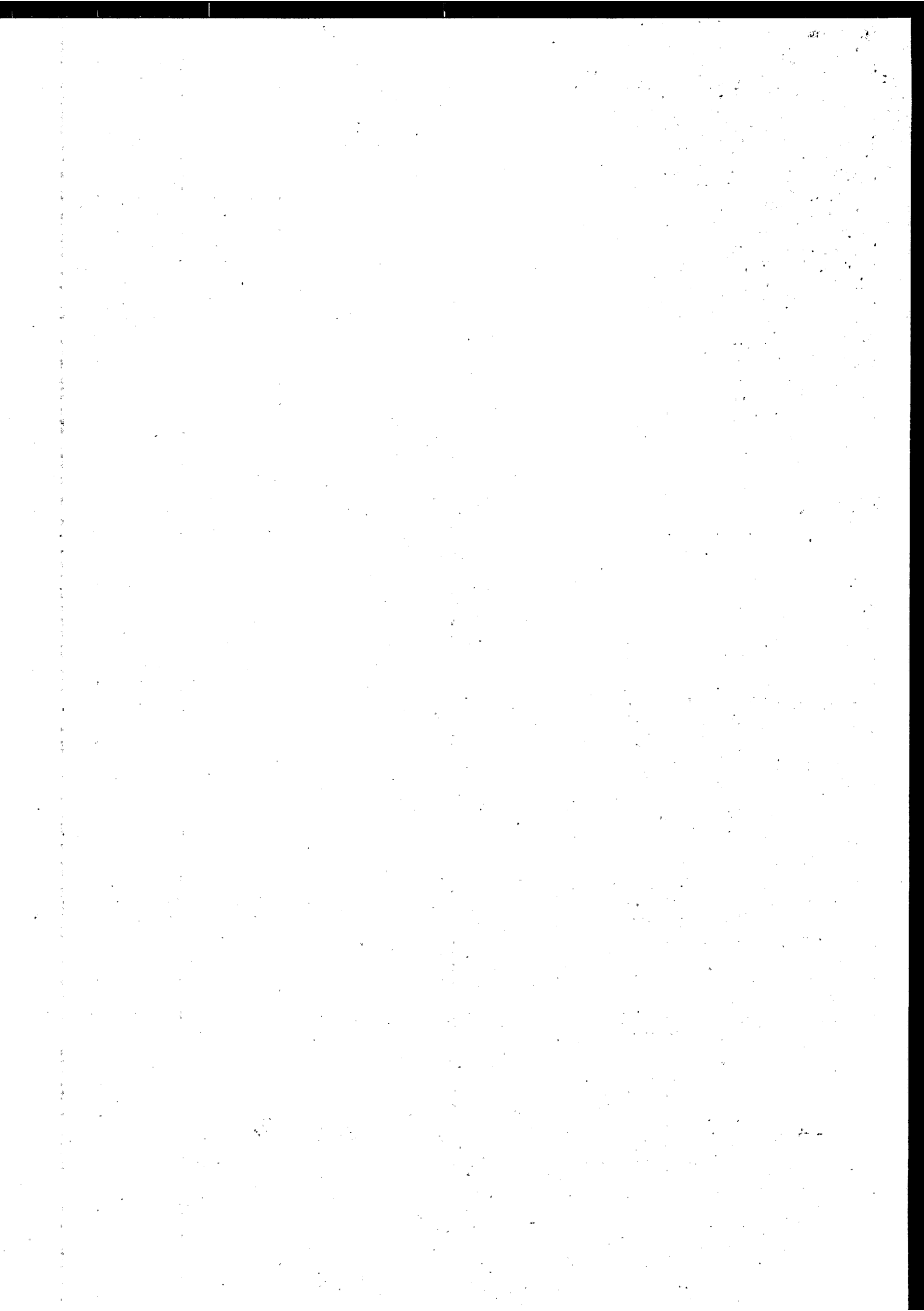
	Share Capital £	Retained earnings £	Total equity £
At 1 April 2009	2	148,198	148,200
Loss for the year	-	(175,222)	(175,222)
	<hr/>	<hr/>	<hr/>
At 31 March 2010	2	(27,024)	(27,022)
Loss for the year	-	(85,284)	(85,284)
	<hr/>	<hr/>	<hr/>
At 31 March 2011	<u>2</u>	<u>(112,308)</u>	<u>(112,306)</u>



ClearCo Services Limited

Cash flow Statement for the year ended 31 March 2011

	<i>Notes</i>	2011 £	2010 £
<i>Cash flows from operating activities</i>			
Loss for the year		(85,284)	(175,222)
<i>Adjustments for:</i>			
Taxation		40,164	(68,639)
		<hr/>	<hr/>
Operating loss before changes in working capital and provisions		(45,120)	(243,861)
Decrease in trade and other receivables		130,001	164,542
Increase / (Decrease) in trade and other payables		2,274	(118,444)
Decrease in provisions		(121,704)	(45,309)
		<hr/>	<hr/>
Cash generated from operating activities		(34,549)	(243,072)
Tax refund received		118,669	-
		<hr/>	<hr/>
Net cash from operating activities		84,120	(243,072)
		<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents		84,120	(243,072)
		<hr/>	<hr/>
Cash and cash equivalents at 1 April		344,005	587,077
		<hr/>	<hr/>
Cash and cash equivalents at 31 March	7	428,125	344,005
		<hr/>	<hr/>



ClearCo Services Limited

Notes to the financial statements for the year ended 31 March 2011

1 Accounting policies

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards and International Accounting Standards (collectively, 'IFRS') issued by the International Accounting Standards Board ('IASB') as endorsed by the European Union ('EU') and effective for ClearCo Services Limited's reporting for the year ended 31 March 2011.

Basis of preparation

The financial statements are prepared on the historical cost basis. The company's two major customers terminated their contracts with the company with effect from September 2009, as a result the company ceased trading at that date and is in the process of winding up. The financial statements have been prepared on a basis other than that of going concern which includes, where appropriate, writing down the company's assets to net realisable value. Provision has also been made for any contractual commitments that have become onerous at the balance sheet date. The financial statements do not include any provision for the future costs of terminating the business of the company except to the extent that such costs were committed at the balance sheet date. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Accounting estimates and judgements

The preparation of accounts requires management to make estimates and assumptions that affect the reported amounts of certain assets, liabilities, revenues and expenses, and disclosure of contingent assets and liabilities. Since management's judgement involves making estimates concerning the likelihood of future events, the actual results could differ from those estimates.

Some estimation techniques involve significant amounts of management valuation judgements, often in areas that are inherently uncertain.

Revenue

Revenue represents amounts receivable from customers for clearing services provided.

Revenue is recognised on an accruals basis when the service has been provided. Revenue is received in relation to the provision of clearing services to the financial services sector in Northern Ireland. Where the probability of receiving income is uncertain, the income is not recognised until the consideration is received or the uncertainty is removed.

Cash and cash equivalents

For the purposes of the cash flow statement, 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 3 months.

Share capital

Issued financial instruments, or their components, are classified as equity where there is no contractual obligation to transfer cash or other financial assets to the holder. They confer on the holder a residual interest in the assets of the company.

ClearCo Services Limited

Notes to the financial statements for the Year ended 31 March 2011

1 Accounting policies (continued)

Income taxation, including deferred income tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current year tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Trade and other receivables

Trade and other receivables are stated at their cost less impairment losses.

Impairment

As noted in basis of preparation above, where applicable, the company's assets have been written down to net realizable value.

Provisions

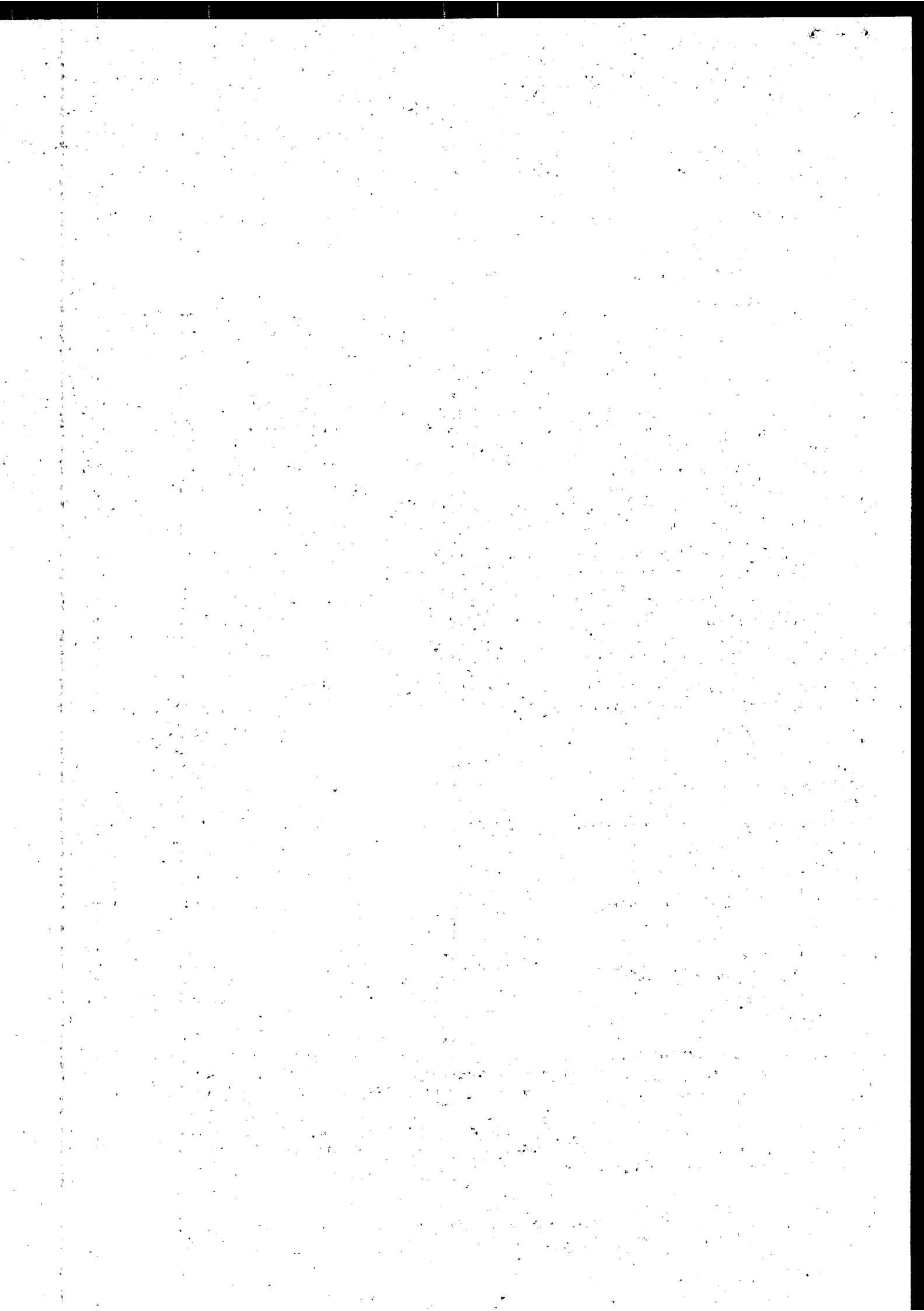
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.



ClearCo Services Limited

Notes to the financial statements for the Year ended 31 March 2011

2 Loss before tax

	Year ended 31 March 2011 £	Year ended 31 March 2010 £
This is stated after charging		
Auditors' remuneration		
– Audit services	5,100	6,363

3 Employee information

	Year ended 31 March 2011 £	Year ended 31 March 2010 £
Staff costs		
Wages and salaries	-	329,967
Social security costs	817	31,118
Pension costs (note 16)	-	18,806
Total staff costs	817	379,891

	Number	Number
Average monthly number of persons employed by the company during the year		
Clearing services	-	38

4 Directors' emoluments

	Year ended 31 March 2011 £	Year ended 31 March 2010 £
Aggregate emoluments	-	-

All directors are remunerated by either The Governor and Company of the Bank of Ireland (or its subsidiaries) or Allied Irish Banks plc (or its subsidiaries) and no charge is made to the company for their services. The directors consider that the amount of time spent in their capacity as directors of ClearCo Services Limited is insignificant.

ClearCo Services Limited

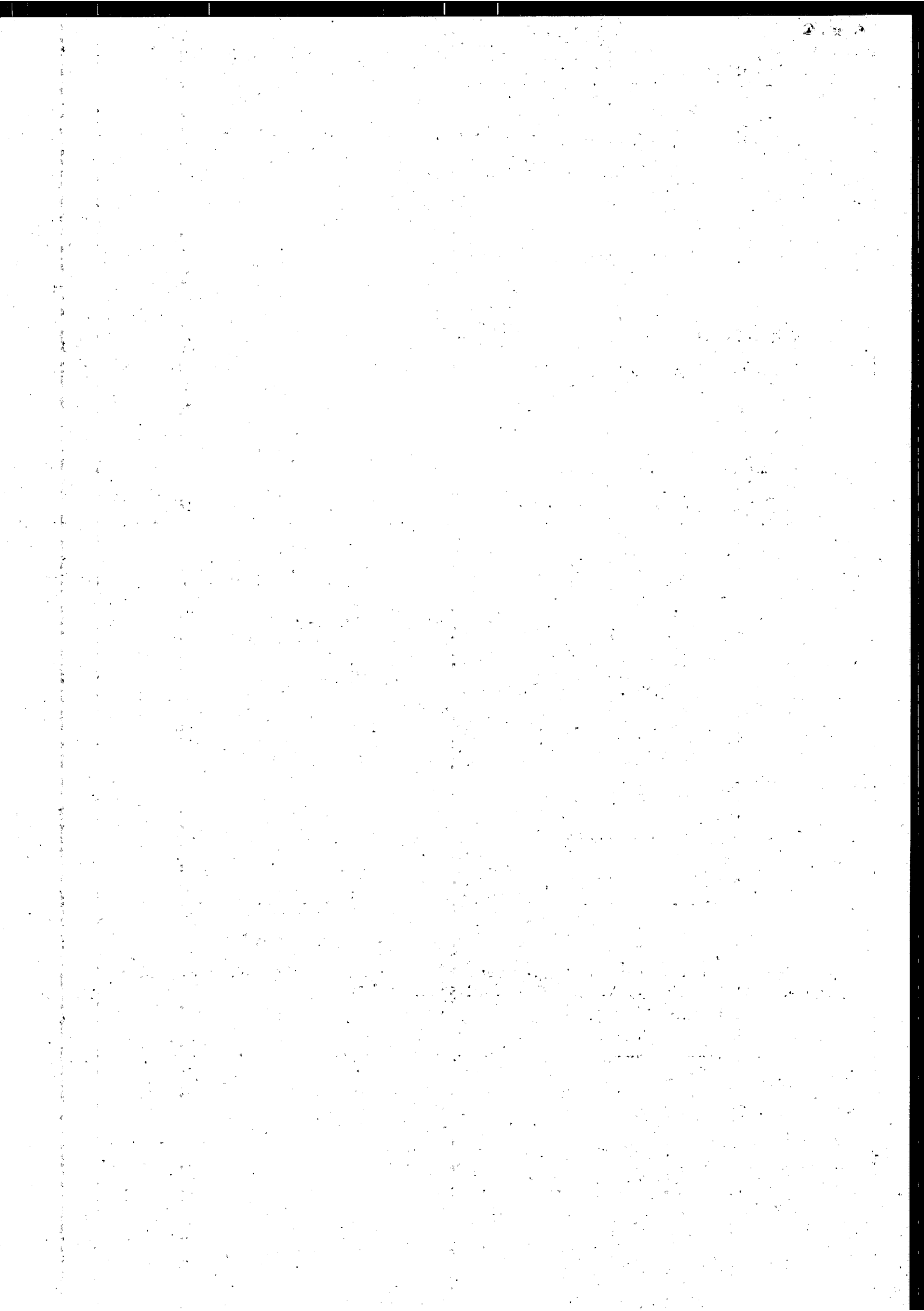
Notes to the financial statements for the Year ended 31 March 2011

5 Tax

	Year ended 31 March 2011 £	Year ended 31 March 2010 £
Corporation tax		
Current year	-	217,691
Adjustments in respect of prior years	(40,164)	(74)
	<u>(40,164)</u>	<u>217,617</u>
Deferred tax		
Origination and reversal of timing differences (note 8)	-	(148,978)
Total tax (charge) / credit in income statement	(40,164)	68,639

	Year ended 31 March 2011 £	Year ended 31 March 2010 £
The charge for the year can be reconciled to the loss per the income statement as follows:		
Loss on ordinary activities before tax	45,120	243,861
Corporation tax in the UK at 28% (2009: 28%)	12,634	68,281
Tax effects of:		
Post cessation expenditure not allowed	(12,634)	-
Permanent timing differences	-	432
Expenses not allowed for tax purposes	(40,164)	(74)
Tax (charge) / credit for the year	(40,164)	68,639

The tax rate used for tax on profit on ordinary activities is the standard UK rate of 28% on profits earned to 31 March 2011. The standard UK rate of tax will decrease to 26% with effect from 1 April 2011. A further reduction of 1% per annum to 23% is expected to occur over the period to 1 April 2014.



ClearCo Services Limited

Notes to the financial statements for the Year ended 31 March 2011

6 Trade and other receivables

	31 March 2011	31 March 2010
	£	£
Amounts owed by related parties	42	130,043
Other Debtors	360	360
	402	130,403

7 Cash and cash equivalents

Cash and cash equivalents consist of bank balances with its related parties. For the purposes of the cash flow statement, cash and cash equivalents comprise the following balance sheet amounts:

	31 March 2011	31 March 2010
	£	£
Cash at bank and in hand	428,125	344,005

8 Deferred tax asset

	31 March 2011 Accelerated capital allowances	31 March 2010 Accelerated capital allowances
	£	£
At 1 April	-	148,978
Charged to the profit and loss account	-	(148,978)
At 31 March	-	-

9 Trade and other payables

	31 March 2011	31 March 2010
	£	£
Amounts owed to related parties	503,541	500,967
Accruals and deferred income	5,100	5,400
	508,641	506,367

ClearCo Services Limited

Risk and Risk Management

Liquidity Risk
The objective of liquidity management is to ensure the availability, at all times, of sufficient funds to meet the company's obligations. The company maintains sufficient liquid funds in its bank accounts to ensure it can meet obligations as they arise. There are also no interest bearing liabilities within the company.

Foreign Exchange Risk
There is no foreign exchange risk as all transactions are in sterling.

Credit Risk
The directors do not consider there to be any significant risks in relation to credit risk as outstanding debts are due from the two parent companies.

Operational Risk
Operational risk is the potential for loss caused by breakdown in information, transaction processing and settlement systems. The company mitigates operational risk by maintaining a comprehensive system of internal controls, maintaining key backup facilities and undertaking regular contingency planning.