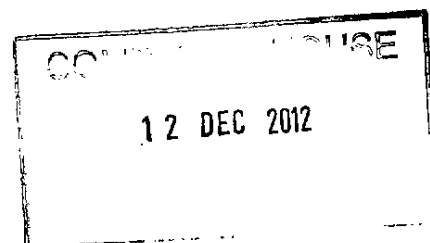


**ClearCo Services Limited**  
**Report and Financial Statements**  
**for the Year ended 31 March 2012**



# **ClearCo Services Limited**

## **Report and Financial Statements for the year ended 31 March 2012**

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# **ClearCo Services Limited**

## **Directors and advisers**

### **Directors**

C Henry  
E Murray  
J Molloy  
S Matchett  
D Coogan  
D Martin

### **Secretary**

T C Smyth

### **Registered Office**

First Trust Centre  
PO Box 123  
92 Ann Street  
Belfast  
BT1 3AY

### **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 2012**

The directors present their report together with the audited financial statements of the company for the year to 31 March 2012.

### **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, on 13 December 2011 the directors took the decision to begin the process of winding the company up and proceed to a voluntary strike off. Accordingly 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. As a result of the directors intentions the shareholders have entered into an agreement to facilitate a structured and efficient winding up or strike off of the company, this agreement states that any liability incurred by the company after the balance sheet date shall be borne by each of the shareholders in equal shares. Therefore the financial statements do not include any provision for future costs of the company.

On 15 October 2012 the directors settled the amounts owed to the related parties for £289,080.

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 17 to the accounts.

### **Results and dividends**

The detailed results are shown on page 7. The profit after taxation for the year is £112,306 (2011: £85,284 loss). No dividend is proposed for the year (2011: £nil).

### **Political and charitable contributions**

The company did not make any political donations during the year (2011: £nil). The company did not make any charitable donations during the year (2011: £nil).

### **Directors and their interests**

The directors who served during the year and to the date of this report are as follows:

C Henry  
A Hughes (resigned 21/8/2012)  
J Molloy  
S Matchett  
D Coogan  
D Martin  
E Murray (appointed 21/8/2012)

Both of the ordinary shares of the company are held equally by Mrs E Murray and Mr S Matchett in trust for Allied Irish Banks Plc and The Governor and 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 2012 *(continued)*

### Auditor

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 auditor 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.

By order of the Board



~~T.C. Smyth~~  
Secretary

Deputy Company

10 December 2012

# 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.

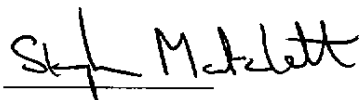
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors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

A handwritten signature in black ink, appearing to read 'S Matchett', is written over a horizontal line.

S Matchett  
Director

# **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 2012 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 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 auditor**

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 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 2012 and of its profit 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 qualified, 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.

## 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

Date: 10/12/12



# ClearCo Services Limited

## Income Statement for the year ended 31 March 2012

		Year ended 31 March 2012 £	Year ended 31 March 2011 £
Revenue	<i>Notes</i> <i>1</i>	-	-
<b>Total operating income</b>		-	-
Other Income		123,071	-
Staff Costs	<i>3</i>	-	(817)
Other Operating Costs		(10,765)	(44,303)
<b>Total operating expenses</b>		(10,765)	(45,120)
<b>Profit/(loss) before tax</b>	<i>2</i>	112,306	(45,120)
Taxation	<i>5</i>	-	(40,164)
<b>Profit/(loss) for the year</b>	<i>11</i>	112,306	(85,284)

The notes on pages 11 to 18 form part of these financial statements. All reported profits / losses arise from discontinued operations.

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

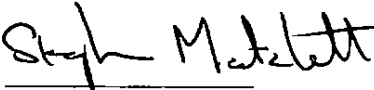
## Balance sheet as at 31 March 2012

		31 March 2012	31 March 2011
	Notes	£	£
Trade and other receivables	6	-	402
Current tax asset		-	214,039
Cash and cash equivalents	7	289,080	428,125
<b>Total Current Assets</b>		<b>289,080</b>	<b>642,566</b>
<b>Total Assets</b>		<b>289,080</b>	<b>642,566</b>
<b>Current liabilities</b>			
Trade and other payables	8	(289,080)	(508,641)
Onerous lease provision	9	-	(246,231)
<b>Total Current Liabilities</b>		<b>(289,080)</b>	<b>(754,872)</b>
<b>Net Current Assets</b>		<b>-</b>	<b>(112,306)</b>
<b>Total Liabilities</b>		<b>-</b>	<b>(754,872)</b>
<b>Net (Liabilities) / Assets</b>		<b>-</b>	<b>(112,306)</b>
<b>Equity</b>			
Share capital	10	2	2
Retained Earnings	11	(2)	(112,308)
<b>Total equity</b>	12	<b>-</b>	<b>(112,306)</b>

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 10 December 2012.

  
Mrs E. Murray  
Director

  
Mr S. Matchett  
Director

# ClearCo Services Limited

## Statement of changes in equity as at 31 March 2012

	Share Capital £	Retained earnings £	Total equity £
At 1 April 2011	2	(112,308)	(112,306)
Profit for the year	-	112,306	112,306
	<hr/>	<hr/>	<hr/>
<b>At 31 March 2012</b>	<b>2</b>	<b>(2)</b>	<b>-</b>
	<hr/>	<hr/>	<hr/>

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

# ClearCo Services Limited

## Cash flow Statement for the year ended 31 March 2012

	<i>Notes</i>	<b>2012</b> £	<b>2011</b> £
<i>Cash flows from operating activities</i>			
Profit / (Loss) for the year		112,306	(85,284)
<i>Adjustments for:</i>			
Taxation		-	40,164
		<hr/>	<hr/>
<b>Operating loss before changes in working capital and provisions</b>		112,306	(45,120)
Decrease in trade and other receivables		187,222	130,001
(Decrease) / Increase in trade and other payables		(219,561)	2,274
(Decrease) / Increase in provisions		(246,231)	(121,704)
		<hr/>	<hr/>
<b>Cash generated from operating activities</b>		(166,264)	(34,549)
Tax refund received		27,219	118,669
		<hr/>	<hr/>
<b>Net cash from operating activities</b>		(139,045)	84,120
		<hr/>	<hr/>
Net (decrease)/increase in cash and cash equivalents		(139,045)	84,120
		<hr/>	<hr/>
Cash and cash equivalents at 1 April		428,125	344,005
		<hr/>	<hr/>
<b>Cash and cash equivalents at 31 March</b>	7	289,080	428,125
		<hr/>	<hr/>

# ClearCo Services Limited

## Notes to the financial statements for the Year ended 31 March 2012

### 1 Accounting policies

#### Statement of compliance

The financial statements have been prepared and approved by the directors 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 2012.

#### 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.

#### 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 on 13 December 2011 the directors took the decision to begin the process of winding the company up and proceed to a voluntary strike off. 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. The financial statements do not include any provision for the future costs of the business of the company due to the fact the shareholders have entered into an agreement that states any liability incurred by the company after the balance sheet date shall be borne by each of the shareholders in equal shares. 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.

#### 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 2012

### 1 Accounting policies (continued)

#### Income tax, including deferred income tax

Income tax on the profit and loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable on the taxable income for the year using tax rates enacted or substantially enacted at the balance sheet date and any adjustment to tax payable in respect of previous years.

Deferred income tax is provided, using the balance sheet liability method, on temporary timing differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax is determined using tax rates based on legislation enacted or substantially enacted at the balance sheet date and expected to apply when the deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised where it is probable that future taxable profits will be available against which the temporary differences will be utilised.

Deferred and current tax assets and liabilities are only offset when they arise in the same tax reporting group and where there is both the legal right and the intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income tax payable on profits, based on the applicable tax law in each jurisdiction, is recognised as an expense in the period in which the profits arise. The tax effects of income tax losses available for carry forward are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised.

#### 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.

#### Expenses

##### 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.

##### Provisions

As noted in basis of preparation above, provision has been made for any contractual commitments that have become onerous at the balance sheet date. The provision is in respect of an onerous operating lease.

# ClearCo Services Limited

## Notes to the financial statements for the Year ended 31 March 2012

### 2 Profit / Loss before tax

	Year ended 31 March 2012 £	Year ended 31 March 2011 £
<b>This is stated after charging</b>		
Fees payable to the company's auditor for the audit of the company's annual accounts	5,160	5,100

### 3 Employee information

	Year ended 31 March 2012 £	Year ended 31 March 2011 £
<b>Staff costs</b>		
Social security costs	-	817
<b>Total staff costs</b>	-	817

	Number	Number
<b>Average monthly number of persons employed by the company during the trading period</b>		
Clearing services	-	-

### 4 Directors' emoluments

	Year ended 31 March 2012 £	Year ended 31 March 2011 £
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 2012

### 5 Tax on profit on ordinary activities

*Recognised in the income statement*

	Year ended 31 March 2012 £	Year ended 31 March 2011 £
<b>Current tax</b>		
Adjustments in respect of previous years	-	(40,164)
	-	(40,164)
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	-
<b>Total tax charge in income statement</b>	-	(40,164)

	Year ended 31 March 2012 £	Year ended 31 March 2011 £
<b>Effective tax rate</b>		
The tax for the period is lower (2011: lower) than the standard rate of corporation tax in the UK (26%). The differences are explained below:		
Profit/(Loss) on ordinary activities before tax	112,306	(45,120)
Corporation tax in the UK of 26% (2011: 28%)	29,199	12,634
Effects of:		
Post cessation expenditure not allowed	-	(12,634)
Losses brought forward not previously recognised	(29,199)	-
Expenses not allowed for tax purposes	-	(40,164)
<b>Total tax charge for the year</b>	-	(40,164)



# ClearCo Services Limited

## Notes to the financial statements for the Year ended 31 March 2012

### 6 Trade and other receivables

	31 March 2012	31 March 2011
	£	£
Amounts owed by related parties	-	42
Other Debtors	-	360
	-	402

### 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 2012	31 March 2011
	£	£
Cash at bank and in hand	289,080	428,125

### 8 Trade and other payables

	31 March 2012	31 March 2011
	£	£
Amounts owed to related parties	289,080	503,541
Accruals and deferred income	-	5,100
	289,080	508,641

### 9 Onerous lease provision

	31 March 2012	31 March 2011
	£	£
Due within one year	-	246,231

### 10 Called up share capital

	31 March 2012	31 March 2011
	£	£
<b>Authorised</b>		
10,000 ordinary shares of £1 each	10,000	10,000
<b>Allotted Share Capital, Called up and paid</b>		
2 ordinary shares of £1 each	2	2

# ClearCo Services Limited

## Notes to the financial statements for the Year ended 31 March 2012

### 11 Retained Earnings

	Retained earnings £
At 1 April 2011	(112,308)
Profit for the year	112,306
At 31 March 2012	(2)

### 12 Reconciliation of movements in shareholders' equity

	Year ended 31 March 2012 £
Opening Shareholders' funds	(112,306)
Profit for the year	112,306
Closing shareholders' funds	-

### 13 Contingent liabilities

There were no material contingent liabilities at 31 March 2012 (2011: £nil).

### 14 Capital commitments

There were no material capital commitments at 31 March 2012 (2011: £nil).

# ClearCo Services Limited

## Notes to the financial statements for the Year ended 31 March 2012

### 15 Related party transactions

#### Transaction, arrangements and agreements involving directors and others

Key management personnel are those persons considered as having the authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly. Management consider that the only key management personnel are A Hughes, C Henry and S Matchett.

All costs/emoluments of directors are paid by the ultimate parent undertakings directly and are not recharged to the company. As a result, the company has not been required to disclose compensation paid to key management personnel.

#### Ultimate parent undertaking

The joint venture is owned in equal proportions by The Governor and Company of the Bank of Ireland and Allied Irish Banks plc. The company is incorporated and registered in Northern Ireland. The results of ClearCo Services Limited are included in equal proportions in the consolidated accounts of Allied Irish Bank plc and The Governor and Company of the Bank of Ireland. Copies of these accounts are available from the Registrar of companies, Linenhall Street, Belfast.

The table below provides the balances that the company has with its related parties and the transactions included in the income statement:

	Sales to Related Party £	Amounts Owed By Related Party £	Amounts Owed to Related Party £
<b>31 March 2012</b>			
The Governor and Company of the Bank of Ireland (and its subsidiaries)	-	-	144,987
Allied Irish Banks plc (and its subsidiaries)	-	-	144,093
	-	-	289,080

	Sales to Related Party £	Amounts Owed By Related Party £	Amounts Owed to Related Party £
<b>31 March 2011</b>			
The Governor and Company of the Bank of Ireland (and its subsidiaries)	-	-	250,931
Allied Irish Banks plc (and its subsidiaries)	-	42	250,036
	-	42	500,967

The amounts due to and from the related party are not interest bearing and are not subject to specific repayment terms. Transactions that the company enters into with its related parties are made in the ordinary course of business at normal commercial terms.

# ClearCo Services Limited

## Notes to the financial statements for the Year ended 31 March 2012

### 16 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 is 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.