

Company Number: SC047926

CLYDESDALE BANK INSURANCE BROKERS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

30 SEPTEMBER 2010

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CLYDESDALE BANK INSURANCE BROKERS LIMITED

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30 SEPTEMBER 2010

Contents	Page
Officers and Professional Advisers	2
Report of the Directors	3 - 4
Statement of Directors' Responsibilities	5
Independent Auditor's Report	6
Income Statement	7
Balance Sheet	8
Cash Flow Statement	9
Statement of Changes in Shareholder's Equity	10
Notes to the Financial Statements	11 - 14

CLYDESDALE BANK INSURANCE BROKERS LIMITED

Officers and Professional Advisers

Directors	Martin Smith Steve Reid
Secretary	Bernadette Lewis
Registered Office	30 St Vincent Place Glasgow G1 2HL
Bankers	Clydesdale Bank PLC
Auditors	Ernst & Young LLP Registered Auditor 10 George Street Edinburgh EH2 2DZ

CLYDESDALE BANK INSURANCE BROKERS LIMITED

Report of the Directors

The Directors of Clydesdale Bank Insurance Brokers Limited ("the Company") submit their report and Financial Statements for the year ended 30 September 2010

Activities

The Company was involved in the sale of insurance products and provided financial planning services in the United Kingdom ("UK"). With effect from 12 January 2006, the Company was de-authorised with the Financial Services Authority and ceased providing insurance products and financial planning services. The company is to be wound up in the near future.

Business Review

The Company did not trade during the year. The business is monitored by performing monthly reviews ensuring a positive net asset position.

Profits and appropriations

The profit attributable to the shareholder for the year ended 30 September 2010 amounted to £NIL (2009:£36,000).

No dividend was paid during the year to 30 September 2010 (2009:£Nil). The Directors do not recommend the payment of a final dividend on the ordinary shares in respect of this financial year.

Directors and Directors' interests

In terms of the Articles of Association of the Company, no directors are required to retire by rotation.

The current directors are shown on page 2.

Resignation

Dean Cutbill

03 May 2011

None of the directors held shares in the Company or in any related UK company during the year. As the Company is a wholly owned subsidiary of National Australia Bank Limited ("NAB"), which is incorporated in Australia, any interest which the Directors may have in NAB does not need to be notified to the Company and thus is not disclosed in this report.

Directors' liabilities

During the year the NAB Group paid a premium for a contract insuring the directors and officers of NAB, its subsidiaries and controlled entities against personal liabilities which may arise in the course of the performance of their duties, as well as protecting the NAB Group itself to the extent that it is obliged to indemnify directors and officers for such liability.

Corporate governance

It is the Company's policy not to include all the disclosures in respect of voluntary corporate governance Codes of Practice as it is a wholly owned subsidiary of NAB. The NAB Group's 2010 Annual Financial Statements detail the Corporate Governance framework applicable to the Company. These disclosures are made after consideration of authoritative pronouncements on audit committees and associated disclosures in Australia, the USA and the UK.

Elective regime

In accordance with the provisions of the Companies Act 2006, as amended, the Company has elected to dispense with the laying of the Financial Statements before a general meeting, the holding of annual general meetings and the obligation to appoint Auditors annually.

CLYDESDALE BANK INSURANCE BROKERS LIMITED

Report of the Directors (continued)

Directors' statement as to disclosure of information to auditors

The directors who were members of the board at the time of approving the directors' report are listed on page 2. Having made enquiries of fellow directors and of the company's auditors, each of these directors confirms that:

- to the best of each directors' knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditors are unaware; and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information.

Going Concern

The directors believe that the company will be wound up in the near future. For this reason, they have adopted the break up basis in preparing the financial statements.

On behalf of the Directors



Steve Reid
Director

17 June 2011

CLYDESDALE BANK INSURANCE BROKERS LIMITED

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable United Kingdom law and International Financial Reporting Standards ("IFRS") as adopted by the European Union.

Company Law requires the Directors to prepare Financial Statements for each financial year, which give a true and fair view of the state of affairs of the Company and of the profit or loss for that financial year. In preparing those Financial Statements, the directors are required to:

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

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

CLYDESDALE BANK INSURANCE BROKERS LIMITED

Independent Auditor's Report to the members of Clydesdale Bank Insurance Brokers Limited

We have audited the financial statements of Clydesdale Bank Insurance Brokers Limited for the year ended 30 September 2010 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Cash Flow Statement, the Statement of Changes in Equity, and the related notes 1 to 8. 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 set out on page 5, 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 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.

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 30 September 2010 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.

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.

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.



Gordon Coull (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Edinburgh

21 June 2011

CLYDESDALE BANK INSURANCE BROKERS LIMITED
Statement of Comprehensive Income for the year ended 30 September 2010

	Note	2010 £'000	2009 £'000
Other income		-	50
Operating profit		-	50
Interest receivable		-	-
Total comprehensive income for the year before tax		-	50
Taxation expense	3	-	(14)
Total comprehensive income for the year		-	36

All material items dealt with in arriving at the profit on ordinary activities for 2010 and 2009 relate to discontinued activities.

CLYDESDALE BANK INSURANCE BROKERS LIMITED

Balance Sheet as at 30 September 2010

	Note	2010 £'000	2009 £'000
Current assets			
Due from related entities	7	3,501	3,508
Group tax relief receivable		<u>2</u>	<u>-</u>
		3,503	3,508
Total assets		<u>3,503</u>	<u>3,508</u>
Current liabilities			
Income Tax Payable		-	(5)
		<u>-</u>	<u>(5)</u>
Net assets		<u>3,503</u>	<u>3,503</u>
Shareholder's equity			
Called up share capital	5	4,325	4,325
Share premium		825	825
Retained earnings	6	<u>(1,647)</u>	<u>(1,647)</u>
Total shareholder's equity		<u>3,503</u>	<u>3,503</u>

These Financial Statements were approved by the Board of Directors on 17 June 2011 and were signed on its behalf:



Director

S Reid

CLYDESDALE BANK INSURANCE BROKERS LIMITED

Cash Flow Statement for the year ended 30 September 2010

	Note	2010 £'000	2009 £'000
Cash flows from operating activities			
Operating Profit		-	50
<i>Adjustments for non-cash movements:</i>			
Release of Provisions		-	(50)
Changes in operating assets and liabilities			
Net decrease/(increase) in amount due from related entities	7	7	79
<i>Net cash provided/(used) by operating activities before income tax</i>		7	79
Income tax paid		(7)	(79)
Net cash used by operating activities		-	-
Cash flows from financing activities			
Interest received from group companies		-	-
Net cash provided by financing activities		-	-
Net decrease in cash and cash equivalents		-	-
Cash and cash equivalents at beginning of year		-	-
Cash and cash equivalents at end of year		-	-

CLYDESDALE BANK INSURANCE BROKERS LIMITED**Statement of Changes in Shareholder's Equity for the year ended 30 September 2010**

	2010 £'000	2009 £'000
Comprehensive Income for the financial year	-	36
Opening Shareholder's Funds	3,503	3,467
Closing Shareholder's Funds	<u>3,503</u>	<u>3,503</u>

CLYDESDALE BANK INSURANCE BROKERS LIMITED

Notes to the Financial Statements

1. Authorisation of financial statements and statement of compliance with IFRS

The Financial Statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and as applied in accordance with the Companies Act 2006. The principal accounting policies adopted by the Company are set out in Note 2.

The financial statements of Clydesdale Bank Insurance Brokers Limited for the year ended 30 September 2010 were authorised for issue by the board of directors on 17 June 2011 and the balance sheet was signed on the board's behalf by Steve Reid.

Clydesdale Bank Insurance Brokers Limited is incorporated in the UK and registered in Scotland.

2. Accounting policies

Basis of preparation

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosed amount of contingent liabilities. Assumptions made at each balance sheet date are based on best estimates at that date.

The directors believe that the company will be wound up in the near future. For this reason, they have adopted the break up basis in preparing the financial statements.

Functional and presentation currency

All amounts are expressed in pounds sterling, which is the Company's functional and presentation currency, rounded to the nearest thousand pounds unless otherwise stated.

Income tax

Income tax expense is the tax payable on the current period's taxable income based on the applicable tax rate adjusted by changes in deferred tax assets and liabilities.

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances within three months maturity from the date of inception.

Accounting developments

During the year the International Accounting Standards Board and International Financial Reporting Interpretations Committee issued the following standards and interpretations with an effective date after the date of these Financial Statements:

		<i>Effective Date: Annual periods beginning on or after</i>
<i>International Accounting Standards (IAS/IFRS)</i>		
IFRS 7	Amendment - Financial Instruments: Disclosures	1 July 2011
IFRS 9	Financial Instruments	1 January 2013
IAS 24	Revised - Related Party Disclosures	1 January 2011

The Company has not early adopted these standards and interpretations.

To be applied in a future reporting period

The following standards, interpretations and amendments were available for adoption in the European Union, but not mandatory, for the 30 September 2010 reporting period. Those amendments which are applicable to the Group and which are not likely to have an impact on the Group's financial statements and have not yet been applied by the Group in preparing this financial report are as follows:

Amendments to IFRS 1 Additional Exemptions for First-time Adopters, issued 23 July 2009 and effective for financial periods beginning on or after 1 January 2011.

CLYDESDALE BANK INSURANCE BROKERS LIMITED

Notes to the Financial Statements

2. Accounting policies (continued)

Amendment to IFRS 1 Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters, issued 28 January 2010 and effective for financial periods beginning on or after 1 July 2010.

Amendment to IFRS 2 - Group Cash-settled Share-based Payment Transactions, issued 18 June 2009 and effective for financial periods beginning on or after 1 January 2010.

The amendment clarifies the scope of IFRS 2 and supersedes IFRIC 8 and 11.

Revision to IAS 24 Related Party Disclosures, issued 4 November 2009 and effective for financial periods beginning on or after 1 January 2011.

Amendment to IAS 32 Classification of Rights Issue, issued 8 October 2009 and effective for financial periods beginning on or after 1 February 2011.

Amendment to IFRIC 14 Prepayment of a Minimum Funding Requirement, issued 26 November 2009 and effective for financial periods beginning on or after 1 January 2011.

IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments, issued 26 November 2009 and effective for financial periods beginning on or after 1 January 2011.

The following standards, interpretations and amendments were not available for adoption in the European Union for the 30 September 2010 reporting period. Those amendments which are applicable to the Company and, which are not likely to have an impact on the Company's financial statements, and have not yet been applied or early adopted by the Group in preparing this financial report are:

Improvements to IFRSs 2010, issued 6 May 2010 and effective for various financial periods with the earliest beginning on or after 1 January 2010.

Amendment to IFRS 7 Financial Instruments: Disclosures, issued 7 October 2010 and effective for financial periods beginning on or after 1 July 2011.

IFRS 9 Financial Instruments, issued 12 November 2009 and effective for financial periods beginning on or after 1 January 2013. The Group has not yet assessed the potential impact of the standard, although changes are likely to affect the Group's accounting for financial assets.

CLYDESDALE BANK INSURANCE BROKERS LIMITED
Notes to the Financial Statements (continued)

3. Tax on profit on ordinary activities

a) Analysis of charge in period

	2010	2009
	£'000	£'000
The charge for taxation comprises:		
<i>Current tax</i>		
United Kingdom corporation tax	-	14
Adjustments in respect of prior years	-	-
Total current tax	-	14
<i>Deferred tax</i>		
Origination and reversal of temporary differences		
- prior year	-	-
Total deferred tax	-	-
Tax on profit on ordinary activities	-	14

b) Factors affecting tax charge for the period

The tax assessed for the period differs from the standard rate of corporation tax in the UK (28%). The differences are explained below:

	2010	2009
	£'000	£'000
Profit on ordinary activities before tax	-	50
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 28%)	-	14
Effects of:		
Adjustments to tax charge in respect of previous periods	-	-
Total tax charge for period	0	14

4. Provisions

	2010	2009
	Total	Total
	£'000	£'000
Opening balance	-	50
Release during year	-	(50)
Closing balance	-	-

Provisions were in respect of non-lending losses, litigation or complaints.

5. Share capital

Authorised	Number	£'000
Ordinary shares of £1 each		
At 30 September 2010 and 2009	4,500,000	4,500
Allotted, called up and fully paid:	Number	£'000
Ordinary shares of £1 each		
At 30 September 2010 and 2009	4,325,000	4,325

The shares are wholly owned by National Europe Holdings (Wealth Management) Limited which is incorporated in the UK and registered in England & Wales.

CLYDESDALE BANK INSURANCE BROKERS LIMITED
Notes to the Financial Statements (continued)

6. Retained earnings

	£'000
At 1 October 2009	(1,647)
Comprehensive Income	-
At 30 September 2010	<u>(1,647)</u>

7. Related party transactions

The ultimate parent undertaking, and ultimate controlling party is NAB, a company incorporated in the State of Victoria, Australia. This company also heads the largest group in which the results of the Company are consolidated.

Amounts due from related entities

	2010 £'000	2009 £'000
<i>Trade and other receivables</i>		
Controlled entities of the ultimate parent	<u>3,501</u>	<u>3,508</u>
	3,501	3,508
<i>Cash at bank</i>		
Controlled entities of the ultimate parent	<u>-</u>	<u>-</u>
	3,501	3,508

Transactions with directors, key management and their close family members

There were no amounts outstanding at 30 September 2010 under transactions, arrangements and agreements with the company from directors, key management and their close family members during the year. Amounts outstanding under transactions, arrangements and agreements with credit institutions within the NAB Group for directors are disclosed in the consolidated Financial Statements of NAB, which are publicly available.

Other related party transactions

In the normal course of business the Company maintains accounts and conducts transactions with other members of the NAB Group. This business is conducted at prevailing market rates and terms and includes the provision of technology and other services.

The Company is not a sponsoring employer of any defined benefit schemes.

8. Financial risk management

The Company did not trade during the year and was de-authorised from the FSA in January 2006. Based on these facts the Company is not exposed to interest, credit, market and liquidity risks.