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# **Bristol & West plc**

## **Interim Management Report for the six month period to 30 September 2010**



**REGISTERED NUMBER 2124201**

**BRISTOL & WEST PLC**  
**INTERIM MANAGEMENT REPORT**  
**FOR THE SIX MONTH PERIOD TO 30 SEPTEMBER 2010**

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**Interim Management Report**

The Directors present their interim management report and the unaudited condensed interim financial information for Bristol & West plc for the six month period to 30 September 2010.

**Business Commentary**

The Company continues to hold interest-bearing cash deposits in order to meet its liabilities as they fall due, including the payment of future preference share dividends. No material changes to this position are expected in the second half of the year.

A dividend payment was made during the six month period ended 30 September 2010 of £79.7m (six month period to 30 September 2009: Nil).

**Principal Risks**

The Company considers its strategic, operational and financial risks and identifies actions to mitigate these risks. Details of the Company's risk profile can be found on Note 15 Financial Risk Management in the Annual Financial Statements for the year ended 31 March 2010. Given the limited nature of the Company's activities, the principal risk that the company faces is the inability to access funds in order to settle its liabilities as they fall due. Secure funding arrangements are in place to mitigate against this risk.

**BRISTOL & WEST PLC INCOME STATEMENT**  
**CONDENSED INCOME STATEMENT FOR THE SIX MONTH PERIOD TO 30**  
**SEPTEMBER 2010**

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	Unaudited 6 month period to 30 September 2010	Unaudited 6 month period to 30 September 2009
	£m	£m
Interest and similar income	2.0	2.0
Interest expense and similar charges	(1.3)	(1.3)
<b>Net interest income</b>	<u>0.7</u>	<u>0.7</u>
Other operating expenses	-	-
<b>Profit before taxation</b>	<u>0.7</u>	<u>0.7</u>
Taxation	(0.6)	(0.6)
<b>Profit for the financial period</b>	<u>0.1</u>	<u>0.1</u>

The notes on pages 8 to 12 are an integral part of this condensed interim financial information.

**BRISTOL & WEST PLC STATEMENT OF OTHER COMPREHENSIVE INCOME  
CONDENSED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE SIX  
MONTH PERIOD TO 30 SEPTEMBER 2010**

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There are no movements to be recognised through the Statement of Other Comprehensive Income in the 6 month period to 30 September 2010 or the 6 month period to 30 September 2009 other than those recognised through the Income Statement.

The notes on pages 8 to 12 form an integral part of this condensed interim financial information.

**BRISTOL & WEST PLC BALANCE SHEET**  
**CONDENSED BALANCE SHEET FOR THE PERIOD ENDED 30 SEPTEMBER 2010**

		<b>Unaudited 30 September 2010 £m</b>	<b>Unaudited 30 September 2009 £m</b>	<b>Audited 31 March 2010 £m</b>
<b>ASSETS</b>				
Loans and advances to banks	4	120.0	128.8	128.2
Deferred income tax asset		0.1	0.1	0.1
Other assets		1.4	1.4	1.4
<b>TOTAL ASSETS</b>		<u>121.5</u>	<u>130.3</u>	<u>129.7</u>
<b>LIABILITIES</b>				
Other liabilities		2.9	2.9	2.9
Provisions		0.3	0.6	0.5
Current income tax liabilities		13.1	12.4	11.5
Amounts due to parent company	5	70.0	-	-
Other borrowed funds	6	32.6	32.6	32.6
<b>TOTAL LIABILITIES</b>		<u>118.9</u>	<u>48.5</u>	<u>47.5</u>
<b>EQUITY</b>				
Share capital	7	0.1	0.1	0.1
Retained earnings		2.5	81.7	82.1
<b>TOTAL EQUITY</b>		<u>2.6</u>	<u>81.8</u>	<u>82.2</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>121.5</u>	<u>130.3</u>	<u>129.7</u>

The notes on pages 8 to 12 are an integral part of this condensed interim financial information.

This interim financial information was approved by the Board of Directors on 29 November 2010 and signed on its behalf by:

David McGowan  
**Director**

**BRISTOL & WEST PLC STATEMENT OF CHANGES IN EQUITY**  
**CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTH**  
**PERIOD TO 30 SEPTEMBER 2010**

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<b>UNAUDITED</b>	<b>Share</b>	<b>Profit</b>	<b>Total</b>
<b>30 SEPTEMBER 2010</b>	<b>Capital</b>	<b>and loss</b>	
	<b>£m</b>	<b>account</b>	<b>£m</b>
Profit for the period	-	0.1	0.1
Recognised income and expense for the period	-	0.1	0.1
Equity Dividends Paid	-	(79.7)	(79.7)
Total recognised changes in equity	-	(79.6)	(79.6)
At 1 April 2010	0.1	82.1	82.2
At 30 September 2010	0.1	2.5	2.6

<b>UNAUDITED</b>	<b>Share</b>	<b>Profit</b>	<b>Total</b>
<b>30 SEPTEMBER 2009</b>	<b>Capital</b>	<b>and loss</b>	
	<b>£m</b>	<b>account</b>	<b>£m</b>
Profit for the period	-	0.1	0.1
Recognised income and expense for the period	-	0.1	0.1
Total recognised changes in equity	-	0.1	0.1
At 1 April 2009	0.1	81.6	81.7
At 30 September 2009	0.1	81.7	81.8

**Profit and loss account**

Profit and loss account reserves comprise accumulated retained profits.

The notes on pages 8 to 12 form an integral part of this condensed interim financial information.

**BRISTOL & WEST PLC CASH FLOW STATEMENT**  
**CONDENSED CASH FLOW STATEMENT FOR THE SIX MONTH PERIOD TO 30**  
**SEPTEMBER 2010**

	Note	Unaudited 6 month period to 30 September 2010 £m	Unaudited 6 month period to 30 September 2009 £m
<b>Net cash flow from operating activities</b>			
Profit before tax		0.7	0.7
<b>Adjusted for Non-Cash Items</b>		-	-
<b>Adjusted net cash flows from operating activities</b>		0.7	0.7
<b>Changes in operating assets and liabilities</b>			
Loans and advances to banks		(4.0)	1.2
Provisions		(0.2)	-
Other liabilities		-	1.6
Amounts due to parent company		70.0	-
		65.8	2.8
Taxes refunded/(paid)		1.0	-
<b>Net cash generated from operating activities</b>		66.8	2.8
<b>Cash flows from financing activities</b>			
Equity dividends paid		(79.7)	-
<b>Net cash used in financing activities</b>		(79.7)	-
<b>Net (decrease)/increase in cash and cash equivalents</b>		(12.2)	3.5
Opening cash and cash equivalents		13.5	10.6
Closing cash and cash equivalents	4	1.3	14.1

The notes on pages 8 to 12 form an integral part of this condensed interim financial information.

# **BRISTOL & WEST PLC NOTES TO THE INTERIM FINANCIAL INFORMATION CONDENSED NOTES TO THE FINANCIAL INFORMATION FOR THE SIX MONTH PERIOD TO 30 SEPTEMBER 2010**

## **1 GENERAL INFORMATION AND BASIS OF PREPARATION OF THIS INTERIM FINANCIAL INFORMATION**

These financial statements are the unaudited condensed interim financial statements (hereafter referred to as the “Interim Financial Information”) of Bristol & West plc, a company registered in the United Kingdom for the six month period ended 30 September 2010. The address of its registered office is One Temple Back East, Temple Quay, Bristol BS1 6DX.

This condensed interim financial information has been prepared in accordance with the Disclosure and Transparency Rules of the United Kingdom’s Financial Services Authority and with International Accounting Standard 34 (IAS 34) ‘Interim Financial Reporting’ as adopted by the European Union. The condensed interim financial information should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2010, which have been prepared in accordance with IFRS’s as adopted by the European Union. This condensed interim financial information was approved for issue by the Board of Directors on 29 November 2010.

This interim financial information does not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. The Annual Financial Statements for the year ended 31 March 2010 were approved by the Board of Directors on 28 July 2010 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 237 of the Companies Act 1985.

## **2 ACCOUNTING POLICIES**

The accounting policies and methods of computation and presentation applied by the Company in the preparation of these interim financial statements are consistent with those set out in the Annual Financial Statements for the year ended 31 March 2010 as described in those annual financial statements. There have been no significant changes in the bases upon which estimates have been determined, compared to those applied at 31 March 2010. The Company’s critical accounting estimates and judgements are set out on page 15 of the Annual Financial Statements for the year ended 31 March 2010.

### **Adoption of new accounting standards**

The following amendments to and interpretations of standards have been adopted by the Company during the six months ended 30 September 2010:

- IAS 27 (Revised) – ‘Consolidated and separate financial statements’
- IAS 27 (Amendment) – ‘Cost of an investment in a subsidiary, jointly controlled entity or associate’
- IFRS 3 (Revised) – ‘Business combinations’
- IFRS 2 (Amendment) – ‘Group cash-settled share-based payment’
- IFRIC 17 – ‘Distribution of non-cash assets to owners’
- Improvements to IFRSs 2009

The adoption of these amendments and interpretations did not have a significant impact on the Company.



**BRISTOL & WEST PLC NOTES TO THE INTERIM FINANCIAL INFORMATION  
CONDENSED NOTES TO THE FINANCIAL INFORMATION FOR THE SIX MONTH PERIOD  
TO 30 SEPTEMBER 2010**

**3 OPERATING SEGMENTS**

The company carries out all of its activities through a single operating segment.

**4 LOANS AND ADVANCES TO BANKS**

	<b>Unaudited 30 September 2010 £m</b>	<b>Unaudited 30 September 2009 £m</b>	<b>Audited 31 March 2010 £m</b>
Due from parent company and fellow group undertakings	1.3	14.1	13.5
Included in cash equivalents	<u>1.3</u>	<u>14.1</u>	<u>13.5</u>
Due from parent company and fellow group undertakings	118.7	114.7	114.7
	<u>120.0</u>	<u>128.8</u>	<u>128.2</u>

Loans and advances to banks with a remaining period to maturity, as at the balance sheet date, of less than 12 months, were £51.8m (2009: £61.9m).

**5 AMOUNTS DUE TO PARENT COMPANY**

	<b>Unaudited 30 September 2010 £m</b>	<b>Unaudited 30 September 2009 £m</b>	<b>Audited 31 March 2010 £m</b>
Due to parent company	<u>70.0</u>	<u>-</u>	<u>-</u>

Amounts due to parent company are interest free and have a remaining period to contractual maturity of less than 12 months.

**BRISTOL & WEST PLC NOTES TO THE INTERIM FINANCIAL INFORMATION  
CONDENSED NOTES TO THE FINANCIAL INFORMATION FOR THE SIX MONTH PERIOD  
TO 30 SEPTEMBER 2010**

**6 OTHER BORROWED FUNDS**

	Rate	Unaudited 30 September 2010 £m	Unaudited 30 September 2009 £m	Audited 31 March 2010 £m
Preference Shares	8.125	<u>32.6</u>	<u>32.6</u>	<u>32.6</u>

Sufficient funds have been retained within the Company to meet future dividend payments as they fall due.

The preference shares, which are non-redeemable, non-equity shares, rank equally amongst themselves as regards participation in profits and in priority to the ordinary shares of the Company.

**7 SHARE CAPITAL**

	Unaudited 30 September 2010 £m	Unaudited 30 September 2009 £m	Audited 31 March 2010 £m
Authorised 86,857,500 units on ordinary shares of £0.50 each	<u>43.4</u>	<u>43.4</u>	<u>43.4</u>
Allotted and fully paid 100,000 units of ordinary shares of £0.50 each	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>

**8 DIVIDENDS**

Dividends declared and paid during the period were £79.7m (2009: £NIL)

**9 INCOME TAXES**

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the half year to 30 September 2010 is 80.06% (the estimated average annual tax rate for the half year to 30 September 2009 was 81.64%).

**10 RELATED-PARTY TRANSACTIONS**

A dividend payment of £79.7m (2009: £Nil) was made to the parent company. An intergroup loan was also taken out with the parent company of £70.0m (2009: £Nil).

The Company had no other related party transactions during the six month period to 30 September 2010 that have materially affected the financial position or the performance of the Company. The balances with related parties at the period end are described in Note 4 and Note 5.

**BRISTOL & WEST PLC NOTES TO THE INTERIM FINANCIAL INFORMATION  
CONDENSED NOTES TO THE FINANCIAL INFORMATION FOR THE SIX MONTH PERIOD  
TO 30 SEPTEMBER 2010**

**11 ULTIMATE PARENT COMPANY**

The Company is a wholly owned subsidiary of Bank of Ireland UK Holdings plc. The Company's ultimate parent company is The Governor and Company of Bank of Ireland, a company incorporated by charter in the Republic of Ireland.

**12 REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION**

This condensed interim financial information has not been reviewed or audited by the Independent Auditors of the Company.

**BRISTOL & WEST PLC NOTES TO THE INTERIM FINANCIAL INFORMATION  
CONDENSED NOTES TO THE FINANCIAL INFORMATION FOR THE SIX MONTH PERIOD  
TO 30 SEPTEMBER 2010**

**Statement of Directors' Responsibilities**

The Directors are responsible for preparing this condensed interim financial information in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority ('DTR') and with International Accounting Standard 34 (IAS 34).

The Directors confirm that this condensed interim financial information has been prepared in accordance with IAS 34 and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- Important events that have occurred during the first six months of the year;
- The impact of those events on the condensed set of financial information;
- A description of the principal risks and uncertainties for the remaining six months of the financial year;
- Details of any related party transactions that have materially affected the Company's financial position or performance in the six month period to 30 September 2010, and
- This condensed interim financial information is appropriately prepared under the going concern basis.

**Directors**

There were no changes to the Directors of Bristol & West plc in the six month period to 30 September 2010.

**By Order of the Board**

**David McGowan**  
**Director**  
**29 November 2010**