

---

# **Bristol & West plc**

## **Interim Report for the six months ended 30 June 2011**



**REGISTERED NUMBER 2124201**

**BRISTOL & WEST PLC**  
**CONTENTS**

---

	PAGE
INTERIM REPORT	3
STATEMENT OF DIRECTORS' RESPONSIBILITIES	4
CONDENSED INCOME STATEMENT	5
CONDENSED BALANCE SHEET	6
CONDENSED STATEMENT OF CHANGES IN EQUITY	7
CONDENSED CASH FLOW STATEMENT	8
NOTES TO THE ACCOUNTS	9 - 12

## **BRISTOL & WEST PLC**

### **INTERIM REPORT**

---

#### **Interim Report**

The Directors present their interim report and the unaudited condensed interim financial statements for Bristol & West plc for the six months ended 30 June 2011.

#### **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 financial year.

No dividend payment was made during the six months ended 30 June 2011 (six months ended 30 September 2010: £79.7m).

#### **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 17 Financial Risk Management in the Financial Statements for the nine months ended 31 December 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**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

---

#### **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 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 June 2011, and
- This condensed interim financial information is appropriately prepared under the going concern basis.

#### **Board of Directors who served during the period and up to the date of signing the Financial Statements**

Desmond Crowley  
David McGowan  
John P O'Donovan  
Mary King  
Stephen Matchett  
Andrew Keating (appointed 1 June 2011)

#### **By Order of the Board**

**S Matchett**  
**Director**  
**26 August 2011**

**BRISTOL & WEST PLC**  
**CONDENSED INCOME STATEMENT**

---

		<b>Unaudited 6 month period to 30 June 2011 £m</b>	<b>Unaudited 6 month period to 30 September 2010 £m</b>
Interest and similar income		2.0	2.0
Interest expense and similar charges		(1.1)	(1.3)
<b>Net interest income</b>		<u>0.9</u>	<u>0.7</u>
Other operating income	4	1.7	-
Other administrative expenses	4	(0.1)	-
<b>Profit before taxation</b>		<u>2.5</u>	<u>0.7</u>
Taxation		(0.9)	(0.6)
<b>Profit for the financial period</b>		<u><u>1.6</u></u>	<u><u>0.1</u></u>

A Statement of Other Comprehensive Income has not been prepared as the Company has no other comprehensive income.

The notes on pages 9 to 12 are an integral part of this condensed interim financial information.

**BRISTOL & WEST PLC**  
**CONDENSED BALANCE SHEET**

	Note	Unaudited as at 30 June 2011 £m	Audited as at 31 December 2010 £m	Unaudited as at 30 September 2010 £m
<b>ASSETS</b>				
Loans and advances to banks	5	135.8	135.6	120.0
Deferred income tax asset		-	-	0.1
Other assets		1.6	0.9	1.4
<b>TOTAL ASSETS</b>		<u>137.4</u>	<u>136.5</u>	<u>121.5</u>
<b>LIABILITIES</b>				
Preference shares	7	32.6	32.6	32.6
Amounts due to banks		14.5	14.9	-
Borrowed funds	6	70.6	70.6	70.0
Other liabilities		1.0	2.2	2.9
Provisions		-	-	0.3
Current income tax liabilities		15.5	14.6	13.1
<b>TOTAL LIABILITIES</b>		<u>134.2</u>	<u>134.9</u>	<u>118.9</u>
<b>EQUITY</b>				
Share capital	8	0.1	0.1	0.1
Retained earnings		3.1	1.5	2.5
<b>TOTAL EQUITY</b>		<u>3.2</u>	<u>1.6</u>	<u>2.6</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>137.4</u>	<u>136.5</u>	<u>121.5</u>

The notes on pages 9 to 12 are an integral part of this condensed interim financial information.

This interim financial information was approved by the Board of Directors on 26 August 2011 and signed on its behalf by:

**S Matchett**  
**Director**

**BRISTOL & WEST PLC**  
**CONDENSED STATEMENT OF CHANGES IN EQUITY**

---

<b>UNAUDITED</b> <b>30 JUNE 2011</b>	<b>Share Capital £m</b>	<b>Retained Earnings £m</b>	<b>Total Equity £m</b>
Profit for the six month period	-	1.6	1.6
Equity Dividends Paid	-	-	-
Total recognised changes in equity	-	1.6	1.6
At 1 January 2011	0.1	1.5	1.6
At 30 June 2011	0.1	3.1	3.2

<b>UNAUDITED</b> <b>30 SEPTEMBER 2010</b>	<b>Share Capital £m</b>	<b>Retained Earnings £m</b>	<b>Total Equity £m</b>
Profit for the six month 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

The notes on pages 9 to 12 form an integral part of this condensed interim financial information.

**BRISTOL & WEST PLC**  
**CONDENSED CASH FLOW STATEMENT**

		Unaudited 6 month period to 30 June 2011 £m	Unaudited 6 month period to 30 September 2010 £m
<b>Net cash flow from operating activities</b>			
Profit before tax		2.5	0.7
		<hr/>	<hr/>
<b>Adjusted for non cash items</b>		-	-
<b>Changes in operating assets and liabilities</b>			
Loans and advances to banks	5	(0.2)	(4.0)
Operating assets		(0.7)	-
Amounts due to banks		(0.4)	-
Borrowed funds	6	-	70.0
Operating liabilities		(1.2)	-
Provisions		-	(0.2)
		<hr/>	<hr/>
		(2.5)	65.8
Taxes paid		-	1.0
		<hr/>	<hr/>
<b>Net cash generated from operating activities</b>		-	<b>67.5</b>
<b>Cash flows from financing activities</b>			
Equity dividends paid	9	-	(79.7)
		<hr/>	<hr/>
<b>Net cash used in financing activities</b>		-	<b>(79.7)</b>
		<hr/>	<hr/>
<b>Net increase/(decrease) in cash and cash equivalents</b>		-	(12.2)
Opening cash and cash equivalents	5	15.0	13.5
		<hr/>	<hr/>
Closing cash and cash equivalents	5	<b>15.0</b>	<b>1.3</b>
		<hr/>	<hr/>

The notes on pages 9 to 12 form an integral part of this condensed interim financial information.



**BRISTOL & WEST PLC**  
**CONDENSED NOTES TO THE FINANCIAL INFORMATION FOR THE SIX MONTHS**  
**ENDED 30 JUNE 2011**

---

**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 June 2011. 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 Financial Statements for the nine months ended 31 December 2010, which have been prepared in accordance with IFRSs as adopted by the European Union. This condensed interim financial information was approved for issue by the Board of Directors on 26 August 2011.

This interim financial information does not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. The Financial Statements for the nine months ended 31 December 2010 were approved by the Board of Directors on 27 April 2011 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 498 of the Companies Act 2006.

On 17 February 2010, the Governor & Company of the Bank of Ireland, which is the ultimate parent Company of Bristol & West plc, announced that it was changing its fiscal year end from March to December to align its financial calendar with that of its peer banks. Accordingly, it was decided to change the fiscal year of Bristol & West plc from March to December to align it with its ultimate parent Company.

These Financial Statements cover the six month period from 1 January 2011 to 30 June 2011, while the comparative period covers the six months from 1 April 2010 to 30 September 2010.

**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 Financial Statements for the nine months ended 31 December 2010 as described in those financial statements. There have been no significant changes in the bases upon which estimates have been determined, compared to those applied at 31 December 2010. The Company’s critical accounting estimates and judgements are set out on page 15 of the Financial Statements for the nine months ended 31 December 2010.

Recently adopted accounting pronouncements

The following amendments to, and interpretations of, standards have been adopted by the Company during the six months ended 30 June 2011:

- IFRIC 14 (Amendment) - ‘Prepayments of a Minimum Funding Requirement’
- IFRIC 19 - ‘Extinguishing Financial Liabilities with Equity Instruments’
- IAS 32 (Amendment) – Classification of Rights Issues
- IAS 24 (Amendment) – ‘Related Party Disclosures’
- ‘Improvements to IFRSs 2010’

None of the above amendments or interpretations has had a significant impact on the Company.

The following standards or amendments to standards were issued in the six months ended 30 June 2011 and will be effective for periods beginning on or after 1 January 2012.

**BRISTOL & WEST PLC**  
**CONDENSED NOTES TO THE FINANCIAL INFORMATION FOR THE SIX MONTHS**  
**ENDED 30 JUNE 2011**

---

**IAS 1**

In June 2011, the IASB issued amendments to IAS 1, 'Presentation of Financial Statements' to require companies to group together items within other comprehensive income ('OCI') that may be reclassified to the income statement.

**IFRS 9**

In August 2011 the IASB issued an exposure draft that proposes to delay the effective date of IFRS 9, 'Financial instruments', to annual periods beginning on or after 1 January 2015. The Company is currently evaluating the potential impact that the adoption of this standard will have on its financial statements.

**IAS 27**

In May 2011, the IASB issued a revised version of IAS 27, 'Separate Financial Statements' which has been amended for the issuance of IFRS 10 'Consolidated Financial Statements' but retains the current guidance for separate financial statements.

**IFRS 13**

In May 2011, the IASB issued IFRS 13, 'Fair Value Measurement' which establishes a single source of guidance for fair value measurement under IFRS. IFRS 13 provides a revised definition of fair value and guidance on how it should be applied where its use is already required or permitted by other standards within IFRS and introduces more comprehensive disclosure requirements on fair value measurement. IFRS 13 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted. Each of the standards has yet to be endorsed by the EU. The Company is currently evaluating the potential impact that the adoption of the standards will have on its financial statements.

**3 OPERATING SEGMENTS**

The Company operates in only one business segment, as such a business segments note is not presented. All of the Company's business is in the UK.

**4 OTHER OPERATING INCOME AND ADMINISTRATIVE EXPENSES**

	Unaudited 6 month period to 30 June 2011	Unaudited 6 month period to 30 September 2010
	£m	£m
<b>Other Operating Income</b>		
Income from sale of unclaimed preference shares	1.0	-
Fees paid which are now refundable	1.5	-
Interest payable	(0.8)	-
	<u>1.7</u>	<u>-</u>
<b>Other Administrative Expenses</b>		
Professional fees – tax and legal	<u>(0.1)</u>	<u>-</u>

**BRISTOL & WEST PLC**  
**CONDENSED NOTES TO THE FINANCIAL INFORMATION FOR THE SIX MONTHS**  
**ENDED 30 JUNE 2011**

---

**5 LOANS AND ADVANCES TO BANKS**

	<b>Unaudited as at 30 June 2011 £m</b>	<b>Audited as at 31 December 2010 £m</b>	<b>Unaudited as at 30 September 2010 £m</b>
Due from parent company and fellow group undertakings	15.0	15.0	1.3
Included in cash equivalents	<u>15.0</u>	<u>15.0</u>	<u>1.3</u>
Due from parent company and fellow group undertakings	120.8	120.6	118.7
	<u><u>135.8</u></u>	<u><u>135.6</u></u>	<u><u>120.0</u></u>

Loans and advances to banks with a remaining period to maturity, as at the balance sheet date, of less than 12 months, were £68.9m (31 December 2010: £68.7m).

**6 BORROWED FUNDS**

	<b>Unaudited as at 30 June 2011 £m</b>	<b>Audited as at 31 December 2010 £m</b>	<b>Unaudited as at 30 September 2010 £m</b>
Due to parent company	<u>70.6</u>	<u>70.6</u>	<u>70.0</u>

This amount includes an intercompany loan of £70m from the parent Bank of Ireland UK Holdings plc. This loan does not have a fixed term and the Directors anticipate that the loan will be repaid in the future.

**7 PREFERENCE SHARES**

	<b>Rate</b>	<b>Unaudited as at 30 June 2011 £m</b>	<b>Audited as at 31 December 2010 £m</b>	<b>Unaudited as at 30 September 2010 £m</b>
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.

**BRISTOL & WEST PLC**  
**CONDENSED NOTES TO THE FINANCIAL INFORMATION FOR THE SIX MONTHS**  
**ENDED 30 JUNE 2011**

---

**8 SHARE CAPITAL**

	<b>Unaudited as at 30 June 2011 £m</b>	<b>Audited as at 31 December 2010 £m</b>	<b>Unaudited as at 30 September 2010 £m</b>
Authorised 86,857,500 units on ordinary shares of £0.50 each	43.4	43.4	43.4
Allotted and fully paid 100,000 units of ordinary shares of £0.50 each	0.1	0.1	0.1

**9 DIVIDENDS**

Dividends declared and paid during the period were £nil (6 months to 30 September 2010: £79.7m)

**10 INCOME TAX**

Tax is calculated at the prevailing rate (currently 26%) on the profit before the preference dividend, as the dividend is not tax deductible.

**11 RELATED-PARTY TRANSACTIONS**

The Company had no related party transactions during the six month period to 30 June 2011 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 5 and Note 6.

A dividend payment of £79.7m was made to the parent company in May 2010. At the same time, an intergroup loan was taken out with the parent company of £70.0m.

**12 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.

**13 REVIEW OF CONDENSED INTERIM INFORMATION**

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