

CHASE DE VERE INVESTMENTS PLC

REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2003

Registered Number: 1723284



CHASE DE VERE INVESTMENTS PLC

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CHASE DE VERE INVESTMENTS PLC
DIRECTORS AND ADVISERS

Directors	I D Kennedy	Chairman
	M A Bogard	Managing Director
	R G R Bloor	Director
	D I Newman	Director
	N C Purchase	Director
	M P Scott	Director
	C J Shaw	Director
	M A Sims	Director
	T S Lloyd	Alternate to I D Kennedy

Secretary J Downham

Registered Office One Temple Back East
Temple Quay
Bristol
BS1 6DX

Registered Number 1723284

Solicitors Burges Salmon
Narrow Quay House
Narrow Quay
Bristol
BS1 4AH

Auditors PricewaterhouseCoopers LLP
31 Great George Street
Bristol
BS1 5QD

CHASE DE VERE INVESTMENTS PLC

DIRECTORS' REPORT (CONTINUED)

The directors present their report and the financial statements for the year ended 31 March 2003.

Principal Activities

The company's principal activities during the year continued to be that of independent financial and investment advisers.

Review of Business and Future Developments

The company's business was adversely affected by the downturn and volatility in global stockmarkets, resulting in a loss for the year of £10,309,845, including £7,571,000 of exceptional restructuring costs.

On the 24th February 2003, the company's parent, Bristol & West plc announced its intention to merge the company with MX Moneyextra Financial Solutions Limited, another Independent Financial Adviser within the Bristol & West Group. The merger is intended to deliver a stable platform on which to build the company's presence in the UK Independent Financial Advice market.

Results and dividends

The profit and loss account for the year is set out on page 7.

The directors do not recommend payment of a dividend.

It is proposed that the retained loss of £10,309,845 be transferred to the company's reserves (2001/02 £3,533,602 profit).

Directors

The following served as the board of directors during the year: -

I D Kennedy	
R G R Bloor	
D I Newman	
N C Purchase	
M P Scott	
C J Shaw	
M A Sims	
N Mitchell	(resigned 7 Feb 2003)
M A Bogard	(appointed 1 Nov 2002)
T S Lloyd	alternate to I D Kennedy

Directors' Interests

There were no directors with interests in the shares of the company. The company is a wholly owned subsidiary of The Governor and Company of Bank of Ireland, a body corporate incorporated outside of Great Britain. As such the directors are not required to disclose their interest in shares in, or debentures of, that or any other body corporate incorporated outside of Great Britain.

Policy on payment of creditors

The Company's policy is to agree terms of payment with suppliers and these normally provide for payment within thirty days after the invoice date, except where other arrangements have been negotiated. It is Company policy to abide by the agreed terms of payment, provided the supplier performs according to the terms of the contract. At 31 March 2003, the Company had an average of 2 days' (2002: 2 days') purchases outstanding in trade creditors.

CHASE DE VERE INVESTMENTS PLC

DIRECTORS' REPORT (CONTINUED)

People

Partnership and teamwork are qualities valued by the Company. These are encouraged through regular communication meetings and consultations with staff.

The Company is committed to equal opportunities for all staff and job applicants. It gives full and fair consideration to applications for employment from disabled people and to the training, development and promotion of disabled employees. The Company ensures full compliance with the Disability Discrimination Act. If serving employees become disabled, the Company continues employment wherever possible and arranges retraining.

Statement of Directors' responsibilities

The following statement, which should be read in conjunction with the Independent Auditors' Report on page 5 and 6, is made with a view to distinguishing for shareholders the respective responsibilities of the directors and the auditors in relation to the financial statements.

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 as at the end of the financial year and of the profit or loss of the Company for that period.

With regard to the financial statements, the Directors have determined that it is appropriate that they continue to be prepared on a going concern basis and consider that in their preparation: -

- suitable accounting policies have been selected and applied consistently;
- judgements and estimates that are reasonable and prudent have been made; and
- applicable accounting standards have been followed.

The Directors have a responsibility for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and which enable them to confirm that the financial statements comply with the Companies Act 1985. They also 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.

Share Capital

On 27 March 2003 the company issued 54,000 ordinary shares of £1 each to Bristol & West plc for a consideration of £12,000,000, giving rise to a share premium of £11,946,000. This was made to ensure that the company remained solvent under the current FSA regulations.

Auditors

Following the conversion of our auditors PricewaterhouseCoopers to a Limited Liability Partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned on 12 March 2003 and the directors appointed its successor, PricewaterhouseCoopers LLP, as auditors. A resolution to reappoint PricewaterhouseCoopers LLP, as auditors to the company will be proposed at the annual general meeting.

CHASE DE VERE INVESTMENTS PLC
DIRECTORS' REPORT (CONTINUED)

Share Options

The company operated an Executive Share Option scheme. The number of £1 ordinary shares granted under the option scheme as at 31 March 2003 was nil, and at 31 March 2002 was 43,781.

The Holding Company was acquired by Bristol & West plc on 11 September 2000. As part of the sale agreement, option holders consented to the part-cancellation of their options, each option being cancelled in respect of 80% of Chase De Vere shares under option, and received an amount equal to their interest in the purchase price had all the options been exercised. An additional purchase consideration was made to option holders in January 2003 for the cancellation of the remainder of their options.

Signed by order of the Board



John Downham
Secretary

1 May 2003

CHASE DE VERE INVESTMENTS PLC

INDEPENDENT AUDITOR'S REPORT

Independent auditors' report to the members of Chase De Vere Investments Plc

We have audited the financial statements which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses and the related notes, which have been prepared under the historical cost convention and the accounting policies set out in Note 1.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

Basis of audit opinion


We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

CHASE DE VERE INVESTMENTS PLC
FINANCIAL STATEMENTS

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs at 31 March 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Bristol

1 May 2003

CHASE DE VERE INVESTMENTS PLC
FINANCIAL STATEMENTS

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2003

	<i>Notes</i>	2003 £	2002 £
Turnover		23,610,386	29,612,944
Administrative expenses	3	(31,377,255)	(25,370,851)
Other operating income	5	-	1,872
Operating (loss)/profit		(7,766,869)	4,243,965
Interest receivable and similar income	6	590,034	936,791
Interest payable and similar charges	7	-	(1,744)
(Loss)/Profit on ordinary activities before taxation		(7,176,835)	5,179,012
Exceptional items	8	(7,571,000)	-
(Loss)/Profit before taxation		(14,747,835)	5,179,012
Taxation	9	4,437,990	(1,645,410)
Retained (loss)/profit for the financial year		(10,309,845)	3,533,602

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

(Loss)/Profit for the financial year	(10,309,845)	3,533,602
Total recognised (losses)/gains for the year	(10,309,845)	3,533,602

There is no difference between the results reported above and those that would have been reported on an unmodified historical cost basis

The results reported above relate to continuing activities.
The notes on pages 9 to 20 form part of these accounts.

CHASE DE VERE INVESTMENTS PLC
FINANCIAL STATEMENTS

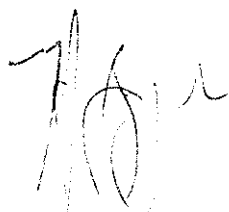
BALANCE SHEET As AT 31 MARCH 2003

	<i>Notes</i>	2003 £	2002 £
FIXED ASSETS			
Tangible assets	10	5,026,314	6,239,012
		<u>5,026,314</u>	<u>6,239,012</u>
CURRENT ASSETS			
Debtors	11	9,694,537	4,443,158
Cash at bank and in hand		12,828,477	11,459,057
		<u>22,523,014</u>	<u>15,902,215</u>
Creditors: amounts falling due within one year	13	(1,602,885)	(2,611,383)
NET CURRENT ASSETS		<u>20,920,129</u>	<u>13,290,832</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>25,946,443</u>	<u>19,529,844</u>
Creditors: amounts falling due after more than one year		-	-
Provisions for liabilities and charges	14	(5,455,000)	(728,556)
NET ASSETS		<u>20,491,443</u>	<u>18,801,288</u>
CAPITAL AND RESERVES			
Called up share capital	15	111,000	57,000
Share premium account	16	11,953,000	7,000
Other reserves	16	36,000	36,000
Profit and loss account	16	8,391,443	18,701,288
TOTAL EQUITY SHAREHOLDERS' FUNDS		<u>20,491,443</u>	<u>18,801,288</u>

The notes on pages 9 to 20 form part of these accounts.

The financial statements were approved by the Board on 1 May 2003 and signed on its behalf by: -

M A Bogard
 Director
 1 May 2003



CHASE DE VERE INVESTMENTS PLC

NOTES TO THE ACCOUNTS

1. Accounting Policies

a) Basis of accounting

These financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom and under the historical cost convention.

b) Turnover

Turnover represents gross contributions on brokerage earned. Commission income is recognised when the service is performed or over the period of the product as appropriate.

c) Leasing

Rentals payable under the operating leases are charged against income on a straight-line basis over the lease term.

d) Cash flow statement

The Company is a fully owned subsidiary of Bristol & West plc, which in turn is a fully owned subsidiary of Bank of Ireland UK Holdings plc and is included in the consolidated financial statements of Bank of Ireland UK Holdings plc.

Consequently the Company has taken advantage of the exemption from preparing a cashflow statement under the terms of FRS1 "Cash flow statements (Revised 1996)". A consolidated cash flow statement is included in the Bristol & West plc accounts.

e) Deferred taxation

Deferred tax is provided using the full provision method in accordance with FRS 19: Deferred Tax. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, calculated at rates expected to be applicable when the liability or asset crystallises on a non-discounted basis. Deferred tax assets are recognised to the extent that it is considered more likely than not that sufficient taxable profits will be available to ensure recoverability.

f) Pension Transfer and Opt-out Provisions

In October 1994, the Securities and Investment Board (now replaced by the Financial Services Authority) announced details of a programme directed to all pension providers and investment advisers to secure redress for individuals who, between 1998 and 1994, had been mis-sold pension products or had been wrongly advised to transfer or opt-out of an occupational pension scheme and have thereby suffered actual or potential financial loss.

In May 2000, the Financial Services Authority issued the Free Standing Additional Voluntary Contributions (FSAVCs) review model which indicated a proposed structure for and methodology to be used in performing an industry wide review of FSAVCs. The company has made full provision in its accounts for the anticipated costs of investigation and redress payable as a result of the review.

As a Regulated Investment Adviser, the company regularly updates its internal review of pension mis-selling in accordance with the FSA guidelines and actual experience of claims. The company has made an additional provision for the year of £65,689 (2001/02 £194,000) following the latest review.

CHASE DE VERE INVESTMENTS PLC
NOTES TO THE ACCOUNTS (CONTINUED)

g) Pensions

Contributions to defined benefit schemes are charged to the profit and loss account so as to spread the expected cost of pensions, calculated in accordance with the advice of qualified actuaries, on a systematic basis over employees' working lives. Variations from the regular cost are spread over the average remaining service life of relevant employees. The costs of defined contribution schemes are charged to the profit and loss account for the period in which they are incurred.

h) Tangible Fixed Assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land & Buildings (Leasehold) are depreciated in equal instalments over 10 years (or remaining life of lease, if shorter)

Computer equipment is depreciated in equal instalments over the expected useful life, subject to a maximum of 10 years

Fixtures and fittings are depreciated in equal instalments over the expected useful life, subject to a maximum of 10 years

Software development costs are capitalised as part of the tangible fixed asset to which the software relates where the development can reasonably be assessed as providing future quantifiable benefits to the company. The amount capitalised is depreciated in equal annual instalments over its estimated useful life subject to a maximum of five years

2. Directors' Emoluments and transactions

	12 Months to March 2003	12 Months to March 2002
	£	£
Emoluments for qualifying services	2,355,748	330,795
Company pension contributions to money purchase schemes	106,219	42,959
Company pension contributions to Final Salary schemes	42,122	12,121
	<u>2,504,089</u>	<u>385,875</u>

The number of Directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2001/02 2).

The number of Directors for whom retirement benefits are accruing under Final Salary pension schemes amounted to 3 (2001/02 2).

Emoluments disclosed above include the following amounts paid to the highest paid Director £620,606 (2002: £145,102)

The company made no contribution to any pension for the highest paid director.

CHASE DE VERE INVESTMENTS PLC
NOTES TO THE ACCOUNTS (CONTINUED)

3. Administrative expenses

	2003	2002
	£	£
Staff costs:		
Wages and salaries	15,185,890	11,991,033
Social security costs	1,509,366	1,187,672
Other pension cost (Note 4)	334,695	254,156
	<u>17,029,951</u>	<u>13,432,861</u>
Operating lease rentals:		
Property	1,482,007	1,159,473
Depreciation:		
Freehold and leasehold property	183,772	116,746
Computer and other equipment	1,390,919	1,125,091
Total depreciation	<u>1,574,691</u>	<u>1,241,837</u>
Auditors' remuneration:		
Audit work	33,722	29,375
Non-audit work	10,198	7,050
Other administrative expenses	11,246,686	9,500,255
Total administrative expenses	<u>31,377,255</u>	<u>25,370,851</u>

The average full time equivalents employed by the Company were as follows:

	2003	2002
Principal office and non-branch business channels	317	284
Branch offices	175	119
	<u>492</u>	<u>403</u>

CHASE DE VERE INVESTMENTS PLC

NOTES TO THE ACCOUNTS (CONTINUED)

4. Pension arrangements

The Company operates two defined contribution pension schemes for its employees. In addition the company makes contributions to the Bristol & West plc defined contribution and defined benefit schemes.

The Company has continued to account for pensions in accordance with SSAP 24 and the disclosures given in (a) are those required by this standard. The transitional disclosures required by FRS17 are set out in (b).

a) SSAP 24 Pension Disclosures

Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over the employees' working lives in the Group. The contributions for the defined benefit scheme are determined by independent qualified actuaries using the projected unit method. The most recent actuarial valuation of the defined benefit scheme was made as at 1 April 2002 with assets taken at market value. At this date the market value of the assets were £100,560,000 for the Bristol & West scheme, representing 82% of the benefits that had accrued to members, after allowing for expected future increases in earnings. The valuation confirmed the Bristol & West scheme's contribution rate of 21.9% in addition to insurance premiums for lump sum death in service benefits. This rate was increased to 22.4% from 1 February 2003 when the scheme moved from a cash basis to an accruals basis for ill health early retirement payments.

The assumptions that have the most significant effect on the results of the valuations are those relating to the rate of return on investments and rates of increase of salaries. For the Bristol & West scheme, it was assumed that the investment return would average 6.5% per annum up to retirement and 5.5% thereafter. It was assumed that increases in salary levels would average 4.5% per annum and that future pension increases would average 2.5% per annum.

The pension charge for the period in respect of all five schemes was £334,695 (2002: £254,156).

b) FRS17 Pension Disclosures

FRS17 requires disclosure of information on the surplus or deficit in the defined benefit scheme and its implications for the Company. As the Company's share of the underlying assets and liabilities of the scheme cannot be identified, it is treated for reporting purposes as a defined contribution scheme. For the purposes of FRS17, a valuation of the scheme was performed as at 1 April 2002. This valuation, which was carried out using the projected unit method, gave a deficit of £50.0m. The value of future contributions by the Company to the scheme will be affected by the level of funding determined by the scheme's actuary in order that the scheme's obligations can be met.

CHASE DE VERE INVESTMENTS PLC
NOTES TO THE ACCOUNTS (CONTINUED)

5. Other Operating Income

	2003	2002
	£	£
Sundry receipts	-	1,872
	<u>-</u>	<u>1,872</u>

6. Interest Receivable and similar income

	2003	2002
	£	£
Bank interest	590,034	936,791
	<u>590,034</u>	<u>936,791</u>

7. Interest Payable and Similar Charges

	2003	2002
	£	£
On bank loans and overdrafts	-	1,744
	<u>-</u>	<u>1,744</u>

8. Exceptional Item

Following the announcement of the reorganisation of the Company, the following have been treated as exceptional items in arriving at the loss before taxation:

	2003	2002
	£	£
Restructuring costs	701,000	-
Write down of fixed assets no longer required	3,967,000	-
Onerous Contracts	2,903,000	-
	<u>7,571,000</u>	<u>-</u>
Associated Tax Relief	(2,169,000)	-
	<u>5,402,000</u>	<u>-</u>

CHASE DE VERE INVESTMENTS PLC
NOTES TO THE ACCOUNTS (CONTINUED)

9. Tax On Profit On Ordinary Activities

	2003 £	2002 £
UK current year taxation		
UK corporation tax	(3,451,839)	1,416,409
Deferred Taxation	<u>(986,151)</u>	<u>242,125</u>
	<u>(4,437,990)</u>	<u>1,658,534</u>
Prior Years		
UK corporation tax	<u>-</u>	<u>(13,124)</u>
	<u>(4,437,990)</u>	<u>1,645,410</u>

The charge for tax on the profit for the year is based on a UK Corporation Tax rate of 30% (2002: 30%).

The reconciliation of statutory corporation tax rate to the effective tax rate on ordinary activities is shown below:

	2003 %	2002 %
Statutory corporation tax rate	30.0	30.0
Adjustments in respect of prior periods	-	(0.3)
Depreciation in excess of capital allowances	(6.7)	(4.5)
Other items	<u>(0.2)</u>	<u>1.9</u>
Effective tax rate	<u>23.1</u>	<u>27.1</u>

CHASE DE VERE INVESTMENTS PLC
NOTES TO THE ACCOUNTS (CONTINUED)

10. Tangible Fixed Assets

	<i>Leasehold land and buildings</i>	<i>Computer and other equipment</i>	<i>Fixtures & Fittings</i>	<i>Total</i>
	£	£	£	£
Cost				
At 1 April 2002	530,255	5,597,474	1,217,822	7,345,551
Additions	2,048,718	1,786,575	506,701	4,341,994
Disposals	(327,707)	(153,418)	(744,948)	(1,226,073)
At 31 March 2003	2,251,266	7,230,631	979,575	10,461,472
Depreciation				
At 1 April 2002	187,719	204,953	713,867	1,106,539
Charge for the year	183,772	1,339,615	51,304	1,574,691
Impairment charge	586,000	3,157,000	225,000	3,968,000
Disposals	(327,708)	(153,416)	(732,948)	(1,214,072)
At 31 March 2003	629,783	4,548,152	257,223	5,435,158
Net book amount				
At 31 March 2003	1,621,483	2,682,479	722,352	5,026,314
At 31 March 2002	342,536	5,392,521	503,955	6,239,012

11. Other Debtors

	2003	2002
	£	£
Trade debtors	4,656,464	3,339,943
Amounts owed by group undertakings	143,299	71,459
Prepayments and accrued income	1,194,156	915,772
Group relief recoverable	2,533,247	-
Deferred taxation	989,445	3,294
VAT Recoverable	61,575	-
Other debtors	116,351	112,690
	<u>9,694,537</u>	<u>4,443,158</u>

Amounts falling due after more than one year and included in the debtors above are:

	2003	2002
	£	£
Other debtors	<u>-</u>	<u>7,892</u>

CHASE DE VERE INVESTMENTS PLC
NOTES TO THE ACCOUNTS (CONTINUED)

12. Deferred taxation

a) Deferred tax asset

	2003	2002
	£	£
Excess of depreciation over capital allowances	989,445	3,294
Deferred tax asset	<u>989,445</u>	<u>3,294</u>

b) Movements on deferred taxation account

	2003	2002
	£	£
At 1 April 2002	3,294	245,419
Charge/(credit) for the year	986,151	(242,125)
At 31 March 2003	<u>989,445</u>	<u>3,294</u>

13. Creditors: Amounts Falling Due Within One Year

	2003	2002
	£	£
Taxes and Social Security	253,525	465,782
Trade creditors	92,091	83,522
Corporation tax	-	57,821
Other creditors	691,275	1,136,959
Accruals and deferred income	565,994	867,299
	<u>1,602,885</u>	<u>2,611,383</u>

CHASE DE VERE INVESTMENTS PLC
NOTES TO THE ACCOUNTS (CONTINUED)

14. Provisions For Liabilities And Charges

	<i>Pension Transfers</i> £	<i>Commissions on indemnity terms</i> £	<i>Restructuring</i> £	<i>Onerous Contracts</i> £	<i>Total</i> £
At 1 April 2002	500,479	25,000	-	203,077	728,556
Charge against profits	65,689	-	3,603,000	1,582,923	5,251,612
Provisions utilised	(505,168)	-	-	-	(505,168)
Provision released	-	(20,000)	-	-	(20,000)
At 31 March 2003	<u>61,000</u>	<u>5,000</u>	<u>3,603,000</u>	<u>1,786,000</u>	<u>5,455,000</u>

Pension Transfer and Opt-out

Provision is made for any potential liabilities arising on the mis-selling of pension products, as stated in note 1(f).

Commissions on Indemnity Terms

A provision is made for potential refunds of commission earned during the year, where the option to cancel exists.

Restructuring provision

Severance and other costs in connection with the merger with MX Moneyextra Financial Solutions Limited.

Onerous Contracts

Expected cost of exiting properties no longer required by the company and other onerous contracts.

15. Called Up Share Capital

	2003 £	2002 £
<i>Authorised</i>		
111,000 ordinary shares of £1 each	111,000	111,000
14,000 cumulative convertible preference shares of £1 each	<u>14,000</u>	<u>14,000</u>
	<u>125,000</u>	<u>125,000</u>
<i>Allotted, issued and fully paid</i>		
111,000 ordinary shares of £1 each	<u>111,000</u>	<u>57,000</u>
	<u>111,000</u>	<u>57,000</u>

CHASE DE VERE INVESTMENTS PLC
NOTES TO THE ACCOUNTS (CONTINUED)

16. Reserves

	Share Premium £	Other reserves £	Profit and Loss Account £	Total £
At 1 April 2002	7,000	36,000	18,701,288	18,744,288
Loss for the year	-	-	(10,309,845)	(10,309,845)
Net premium on share issues	11,946,000	-	-	11,946,000
At 31 March 2003	<u>11,953,000</u>	<u>36,000</u>	<u>8,391,443</u>	<u>20,380,443</u>

17. Reconciliation Of Movements In Shareholders' Funds

	2003 £	2002 £
(Loss)/Profit for the year	(10,309,845)	3,533,602
Share issues	12,000,000	-
Net addition to shareholders' funds	<u>1,690,155</u>	<u>3,533,602</u>
Opening shareholders' funds	18,801,288	15,267,686
Closing shareholders' funds	<u>20,491,443</u>	<u>18,801,288</u>

18. Client Monies

Monies held on behalf of clients, amounting to £4,924,683 (2002: £8,056,641) have been excluded from the Company's assets and liabilities at 31 March 2003.

19. Operational Risk

The Basle Committee on Banking Supervision defines operational risk as "the risk that deficiencies in information systems or internal controls will result in unexpected loss". This risk is associated with human error, systems failure, and inadequate controls and procedures.

The Bristol & West plc Group's exposure to operational risk is governed by policy approved by the Group Operational Risk Committee and the Board. The policy specifies that the Group will operate such measures of risk identification, assessment, monitoring and management as are necessary to ensure that operational risk management is consistent with the approach, aims and strategic goals of the Group.

CHASE DE VERE INVESTMENTS PLC

NOTES TO THE ACCOUNTS (CONTINUED)

The Bank of Ireland Group manages operational risk under an overall strategy which is implemented by accountable executives, monitored by the Group Audit Committee and the Group Operational Risk Committee and supported by the Group Operational Risk Function. Potential risk exposures are assessed and appropriate controls are put in place. Recognising that operational risk cannot be entirely eliminated; the Group implements risk mitigation controls including fraud prevention, contingency planning and incident management. This strategy is further supported by risk transfer such as insurance, where appropriate.

20. Contingent liabilities and commitments

a. *Contingent liabilities*

Pension mis-selling

As a result of the pension mis-selling programme faced by the financial services industry (see note 1(f)) the Financial Services Authority (FSA) will complete the review of transfer and opt-out cases of members who are unable to see their reviews through to conclusion. Funding for this process may have to be met by the members of the FSA in the form of increased subscription and a levy, the amount of which would have to be quantified. The company has not been required to provide any security for this.

b. *Financial Commitments*

As 31 March 2003 the company had annual commitments under non-cancellable operating leases as follows:

	2003 £m	2002 £m
Expiry date		
1 year or less	-	1,351,864
Between two and five years	93,286	2,194,939
Over 5 years	2,410,993	2,165,787
	<u>2,504,279</u>	<u>5,712,590</u>

c. *Capital commitments*

The directors have contracted for, approximately £5,000 of capital expenditure over the next twelve months, for IT hardware and software. No additional expenditure has yet been authorised.

21. Related Party Transactions

Transactions with other companies within the Bank of Ireland Group are not disclosed as the Company has taken account of the exemption allowed by FRS 8: Related Party Disclosures. The consolidated accounts of Bank of Ireland in which the Company is included are available from Bank of Ireland, Lower Baggott Street, Dublin 2.

22. Group Accounts

The company has taken account of the exemption under section 228 of the Companies Act 1985 from the obligation to prepare and deliver group accounts, as the ultimate parent company prepares consolidated group accounts.

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NOTES TO THE ACCOUNTS (CONTINUED)

23. Ultimate Parent company

The company is a wholly owned subsidiary of Bristol & West Plc, One Temple Back East, Temple Quay, Bristol BS1 6DX. The company's ultimate parent company is The Governor and Company of Bank of Ireland, a charter company incorporated in the Republic of Ireland. A copy of Bank of Ireland Group accounts may be obtained from Bank of Ireland, Lower Baggott Street, Dublin 2.