Reclaim Fund Ltd

values
and principles
stakeholders
communication
great place to work
responsibility
and social
personal
together
strong
grow
values
financially strong
across the UK
good causes
consistent
proud
highest ethical standards
principles
responsibility
ethical
improve
strive
givens
open and fair
improve efficiency
and effectiveness
proud of what we do
develop
strive relentlessly
work constructively
meet reclaims in perpetuity
mutual
not for profit
success
vision
maximise the benefit
cautious risk appetite
purpose
excellent communication
unclaimed assets
distribute
committed
surplus monies

Reclaim Fund Ltd
Annual Report and Accounts 2015

Contents

Who we are

Reclaim Fund Ltd, a wholly owned subsidiary of Co-operative Banking Group Ltd, was established on 28 March 2011. It is authorised and regulated by the Financial Conduct Authority, operates independently with an appointed Board and Executive, and is non-profit-making.

Our purpose is to distribute surplus monies for the benefit of good causes across the UK and always hold sufficient funds to meet reclaims in perpetuity.

Our vision is to maximise the benefit for good causes through our stewardship of unclaimed assets.

The delivery of our vision will be underpinned by our values, which are a framework for how we behave and treat each other, as individuals and as a business; also by our givens, which are the principles that we adhere to.

Our values

- We put the interests of dormant account holders first in all we do
- We take personal and social responsibility and are proud of what we do
- Together we will create a great place to work, grow and develop
- We strive relentlessly to improve efficiency and effectiveness
- We are open and fair and are committed to excellent communication
- We will work constructively with our stakeholders to achieve mutual success

Our givens

- We operate to the highest ethical standards
- We are financially strong, ensuring all reclaims can be met
- We are a not-for-profit business
- We only do business consistent with our values and principles
- We operate within a cautious risk appetite

Chairman's review

2015 has been a year of transition for Reclaim Fund Ltd ('RFL') and marks the start of the next chapter in the development of the Company.

"We continue to distribute as much as is deemed prudent to Big Lottery Fund."

STRONG BUSINESS, STRONG GOVERNANCE

I am delighted to be reporting in what is Reclaim Fund Ltd's fifth Annual Report and Accounts and my second as Chairman. 2015 has been a very positive year for our business as we have continued to fulfil our role in helping unlock dormant bank and building society accounts, making money available to fund good causes across the United Kingdom, at the same time as ensuring robust governance and oversight of Reclaim Fund's activities.

2015 has seen another year of strong engagement in the scheme by our participating banks and building societies, with funds committed during the year of over £131m, taking our transfers in total of monies lain dormant for 15 years or more, since we commenced operation to over £850m. We also continue to distribute as much as is prudent to Big Lottery Fund for the benefit of good causes across the UK. Mindful of our obligation always to retain sufficient funds to meet future reclaims, we were able to transfer over £37m to Big Lottery Fund for reinvestment in the community, making a total of more than £258m transferred since RFL's launch in 2011.

During the year, I am also pleased to report that we successfully evolved our operating model, delivering on our strategic goal of achieving further operational independence from our parent, Co-operative Banking Group Ltd ('CBG'). Since our launch in 2011, we have operated under a separate regulatory authorisation with a separate Board of Directors, and have enjoyed the support of CBG (a wholly owned subsidiary of the Co-operative Group) as we worked to establish the Dormant Accounts Scheme. We have now been able to establish our own administrative functions, in line with a strategic review, which we carried out last year. RFL however remains a wholly owned subsidiary of CBG and I look forward to a continuing positive relationship with our parent into 2016.

As part of this work to develop our more autonomous operating model, we have relocated from Manchester City Centre to new purpose built offices in Crewe. The entire RFL team has transferred to the new offices and the Board is delighted that this small group of talented and committed individuals, who

2008

Dormant Bank and Building Society Accounts Act 2008 is enacted.

2009

Co-operative Banking Group is approached by HM Treasury to establish a reclaim fund.

2010

Reclaim Fund Ltd is incorporated on 13 August 2010 as a wholly owned subsidiary of Co-operative Banking Group Ltd.

2011

RFL begins actively operating on 28 March 2011 following FCA authorisation. RFL accepts in excess of £300m from 10 financial institutions.

are a great asset to our business, under the leadership of our Chief Executive Officer, Adrian Smith, has embraced this move so professionally and enthusiastically.

I and other Board colleagues attended our Annual Event in October, and we were privileged to be able to see first-hand the Scheme in action as we heard inspirational presentations from charitable groups who have benefited from money made available through RFL, enriching the lives of the elderly, young or disadvantaged across the UK. As a Board we take very seriously our principal responsibility of always being able to meet reclaims from legacy account holders, a context which sets the tone for our distribution strategy. We have continued to maximise distributions in this context and I am grateful to my Board colleagues for the diligent and professional way they have worked this year to safeguard this principal objective, whilst continuing to ensure we enable further social investment.

It is with great sadness that I have to report the passing of our first Chairman and my predecessor, David Anderson during the year. David was an inspiration to many of us at RFL and will be sadly missed.

2015 has seen new arrivals to our Board of Directors and, following a review of the Board's balance of skills, knowledge and experience in 2014, I am pleased to report we have now completed the composition of our Board, with the addition of Jim Hardie, Glyn Smith and Mark Summerfield. I am delighted to welcome Jim, Glyn and Mark, all of whom have made a significant impact on the business. I am grateful to the entire Board for their professional and dedicated stewardship of the business during the year.

In summary, 2015 has been a positive and formative year for RFL. We have clear plans in place for the coming years and the Board is confident that, with the great team we have in place, we will continue to deliver strong business performance.

JANE HANSON
Chairman
22 February 2016

Key highlights from 2015

- Participants and other stakeholders were able to see first-hand the Scheme as charitable groups presented inspirational speeches from those who have benefited from money made available through RFL.
- Banks and building societies participating in the Scheme transferred £131m to RFL in 2015.
- We were able to transfer £37m to Big Lottery Fund for reinvestment in the community, taking total distributions since inception to more than £258m.
- The Board has been strengthened by welcoming three new members.

RFL Board members in discussion with Annual Event attendee.

Teens and Toddlers Speaker presenting at the RFL Annual Event.

2012

RFL holds its first Annual Event bringing participants and beneficiaries of dormant account monies together. RFL sees total amounts received since inception exceed £500m.

2013

RFL appoints an Investment Manager and Custodian to manage its newly established investment portfolio, in line with its investment mandate.

2014

Cumulative distributions to Big Lottery Fund for onward distribution to good causes since inception passes £220m.

2015

RFL relocates to independent offices in Crewe. Clydesdale Bank joins the scheme taking total amounts received since inception to over £850m.

Chief Executive's review

In this, our fifth year of operation, we have seen time and time again the impact that the money that we have passed to Big Lottery Fund has had across the UK.

"We continue to make distributions that help change people's lives."

In 2015 we have made great progress in delivering against our purpose and vision by attracting new participants, ensuring that we will always be able to meet reclaims and by responsibly and diligently managing the accumulated fund. At the same time, we continue to make distributions that help change people's lives.

In this, our fifth year of operation, we have seen time and time again the impact that the money that we have passed to Big Lottery Fund has had across the UK. A personal highlight for me is our Annual Event where we bring together representatives of the financial institutions that have provided funds with some of the recipients of the monies. This year we heard about how the money from Dormant Bank and Building Society Accounts has helped young people in an innovative apprentice scheme (K4), through to uplifting and fun exercise classes for older people in their retirement accommodation (Oomph). This has been facilitated by Big Society Capital with whom we work very closely in England. Funds also continue to be distributed to the other countries that make up the UK.

As the Chairman reports, RFL moved into a new phase in 2015, evidenced by us taking control of a number of support functions from our parent. This was no small task for a lean organisation such as ours and we sought expert professional guidance to ensure that we put in place robust, secure and efficient systems and controls.

Having spent our first four years based in Manchester, we now operate from a new location; as there is no requirement for RFL to reside in a city centre, it made sense for us to take advantage of lower property costs by moving to Crewe. Our move has been a great success and offers our small team a great place to work, grow and develop. The move away from Manchester also reinforces the fundamental principle that we are operationally independent from the rest of the Co-operative Group.

My team has been re-shaped and strengthened during the year, in line with our new operating model, re-defining roles and incorporating new skills to ensure we have the capability we need going forward. RFL operates with a small team of people and I am grateful to each of the team for their absolute commitment to the business, particularly during this year of significant change.

At the top of our agenda, as always, is the drive to promote the Dormant Accounts Scheme across the financial sector, building on relationships with existing participants and encouraging others to join. RFL continues to receive a steady flow of dormant balances, enabling us to transfer substantial amounts on a regular basis to Big Lottery Fund ('BLF') for onward distribution to good causes, while always retaining sufficient funds to meet potential reclaims. Gradually, our understanding of reclaim rates is developing and we hope this will enable us to distribute even larger sums in time, though we will never put at risk our ability to meet our reclaim obligations.

Distributions are made in line with the Company's distribution policy. This reflects the Company's cautious approach to distributing each transfer received over time. Distributions are only made to BLF once we feel it is appropriate to do so. The total distributed in 2015 was £37.1m compared to £57m in 2014. The reduction in distributions is due to timing issues with a combination of late income in 2015 (effectively meaning distributable amounts are only available for 2016 distributions) and the effect of significant transfers on RFL's inception contributing more significantly to distributions in the years prior to 2015.

In the summer I was pleased to work with my RFL Board colleagues in shaping our strategy for the years ahead. We have a limited range of activities that we can undertake and so our ambition is to ensure that we do those things that we can do efficiently and professionally.

In summary, RFL has matured during 2015, gaining a new independence and reinforcing our unique role as a facilitator in the area of social investment. We are looking forward to building on this solid foundation in 2016.

ADRIAN SMITH
Chief Executive
22 February 2016

Key highlights from 2015

- RFL continues to receive a steady flow of dormant balances, enabling us to transfer substantial amounts on a regular basis to Big Lottery Fund.
- Clydesdale Bank PLC joined the dormant accounts scheme transferring £22m to RFL.
- Team re-shaped and strengthened in line with our new operating model, re-defining roles and incorporating new skills ensuring we have the capability we need going forward.

▲ Oomph deliver an interactive session at the RFL Annual Event.

▲ Adrian Smith presents a cheque to Big Lottery Fund.

Business review

PRINCIPAL ACTIVITIES

The principal activity of Reclaim Fund Ltd ('the Company') is that of management of dormant account monies. The Company has been actively operating since 28 March 2011.

The Company was established as a wholly owned subsidiary of Co-operative Banking Group Ltd following the introduction of the Dormant Bank and Building Society Accounts Act 2008. The Act enables banks and building societies, that choose to participate ('participants'), to transfer money from their dormant accounts to the Company for distribution to Big Lottery Fund and then onwards to good causes across the UK. It also ensures that the right of account holders to reclaim their money is protected in perpetuity by transferring the individual's claim against their bank or building society to RFL.

The strategy for the Company is aligned to the operational activities authorised by the Dormant Bank and Building Society Accounts Act 2008, which permits only those activities set down in the Act. Along with the activities above, the Company is permitted to invest funds and to defray administrative costs. The Board held a Strategic review during September 2015, the outcomes of which ensure RFL's ongoing compliance with the terms of the Act.

REVIEW OF THE YEAR

During the year, the Company accepted £131.3m (2014: £95.0m) of dormant account monies from 10 of the 12 participating UK banks and building societies (2014: 9 of 11). Clydesdale Bank PLC joined the scheme in November and transferred more than £22m to RFL, taking the total number of participating UK banks and building societies to 12. A number of reclaims from participants were received during the year, amounting to £13.7m (2014: £10.2m). Given the limited reclaim experience to date, provisioning for future reclaims has remained cautious, with additional provisions recorded in the year of £52.5m (2014: £38.0m).

The Company is run on a not-for-profit basis and, accordingly, profit after tax was £nil (2014: £nil). Net assets at the balance sheet date were £73.7m (2014: £73.7m). The only distributions the Company is permitted to make are to Big Lottery Fund in support of good causes.

In January 2015, a distribution of £10.2m was made to Big Lottery Fund. This was followed by £7.7m in April, £9.5m in July and £9.7m in October, taking the total distributions for the year to £37.1m (2014: £57.0m).

OPERATING MODEL

During 2014, our Board initiated a review of the Company's operating model, in line with our vision to maximise the benefits for good causes through our effective stewardship of unclaimed assets, focusing particularly on our approach to service provision. Following that review, the Board approved that a number of operational services, previously obtained through the Master Services Agreement in place between the Company and fellow Group company, CFS Management Services Ltd ('CFSMSL'), be brought in house. The changes to our Target Operating Model also saw our employee numbers increase moderately to reflect the new arrangements; these changes also strengthened our leadership and assisted with reducing key person dependencies.

The review also led to our relocating the Company's operations to new business premises in Crewe and 2015 has seen us effect all of these changes. Our financial results for 2015 accordingly reflect the associated changes to our cost base. All our professional and support services are now sourced from third party suppliers following rigorous procurement selection procedures.

Key performance indicators

During the year, the Board and its sub committees have reviewed the Company's performance through key performance indicators ('KPIs'), the results of which provide an overview of its participants, stakeholders, processes and financial strength.

NON-FINANCIAL KPIs

Participants

Level of participation in the scheme by banks and building societies.

During the year, amounts received in respect of dormant accounts from 10 of the 12 participating (2014: 9 of 11) banks and building societies totalled £131.3m (2014: £95.0m).

Stakeholders

Agreements with outsourced service providers set service level standards on quality, cost and timeliness.

All outsourced services were provided to the Company at agreed costs and all services were delivered to standards set out in service level agreements.

Processes

Compliance with regulations and contracts with external parties.

There were no breaches of any regulations or contracts with external parties during the year.

FINANCIAL KPIs

Funds committed from participants
2015

£131.3m
(2014: £95.0m)

In 2015, transfers in are in line with forecast, taking total transfers since inception to more than £850m.

Capital and reserves
2015

£73.7m
(2014: £73.7m)

Within guidelines set by the FCA.

Distributions to Big Lottery Fund
2015

£37.1m
(2014: £57.0m)

Distributions are made in line with the Company's distribution policy. This reflects the Company's cautious approach to distributing each transfer received over time.

Liquidity – cash held
2015

£488m
(2014: £408m)

A significant majority of cash is held with the Bank of England, providing a highly liquid, secure position.

Cost management
2015

£2.3m
(2014: £2.0m)

Costs are in line with agreed budgets set by the Board of Directors and include one-off restructuring costs in 2015.

Reclaim provision
2015

£305m
(2014: £267m)

The level of reclaim provision continues to be regularly monitored by the Board.

Business review continued

Risk management

PRINCIPAL RISKS AND UNCERTAINTIES

The Company operates in a regulatory environment and is subject to legislative and regulatory requirements, with the sole regulator being the Financial Conduct Authority ('FCA'). Within the context of the Dormant Bank and Building Society Accounts Act 2008, the Board is responsible for strategy and for overall corporate governance, which includes ensuring that there are adequate systems of risk management and that the level of capital held is consistent with the risk profile of the business.

The Board is responsible for setting the Company's risk appetite and ensuring that appropriate risk management systems are in place. The Board reviews the Company's principal risks throughout the year as part of its rolling agenda, adopting an integrated approach to risk management and regularly discussing the principal risks. It should be noted that participants retain dormant account holder details and the relationship with them, thereby limiting RFL's conduct risk. Throughout the year, RFL has operated within its risk appetite.

The Board delegates responsibility for day-to-day risk management to the Executive, including the identification, evaluation and monitoring of key risks facing the Company and the implementation of Company-wide risk management processes and controls.

The Executive is supported in this by the Executive Risk Committee ('ERC'). The ERC keeps the effectiveness of the Company's risk management systems under review and reports to the Board regularly on the results of its review. The occurrence of any material control issues, serious accidents, major commercial, financial or reputational issues, or any new emerging risks are reported to the Board and/or Audit & Risk Committee ('AARC') as appropriate.

HOW THE COMPANY MANAGES RISK

The Company has three lines of defence through which it manages significant risks, overseen by the Board and AARC:

1st Line: Risk ownership and control by the business is part of day-to-day operations under the direction of the Executive.

2nd Line: The Company's Risk and Compliance function, under the direction of the Chief Risk Officer ('CRO'), monitors adherence to the procedures set out by the Executive, assesses risk across the business on a regular basis and provides guidance to the business on the application of best practice risk management.

3rd Line: Independent assurance over the Company's risk management, control and governance processes is provided by the Company's internal audit function, which has a direct reporting line to AARC.

ENTERPRISE RISK MANAGEMENT

The Company's enterprise risk management ('ERM') framework facilitates a common, Company-wide approach to the identification, analysis, and assessment of risks and the way in which they are managed, controlled and monitored.

The principal risks facing the Company are:

1. Reclaim risk

Reclaim risk is the risk that the Company does not retain sufficient funds to meet future reclaims in perpetuity. The Company's policy is to maintain cautious provisions for future reclaims to reflect the longevity of the risk of reclaim. The level of reclaims is rigorously monitored on an ongoing basis.

2. Strategic and business risk

Strategic and business risk arises from changes to the Company's business, specifically the risk of not being able to carry out the business plan and desired strategy. In a broader sense, strategic risk is the Company's exposure to a wide range of macro-economic, geo-political, banking industry, regulatory and other external risks, particularly relating to dormant accounts. In a narrow sense, business risk is the risk that the Company suffers losses because income falls or is volatile relative to the fixed cost base.

3. Regulatory risk
The Company operates in a regulatory environment and is subject to significant legislative and regulatory requirements, having a unique classification of 'Dormant Account Fund Operator'. It is regulated by the FCA. Regulatory intervention is an ongoing feature of the UK financial services industry.

The Company also considers the following risks:

4. Operational risk
Operational risk is defined within the Company as the risk of loss resulting from inadequate or failed internal processes, people and systems, or external events. This encompasses the effectiveness of risk management techniques and controls to minimise these losses. Examples include internal and external fraud, loss of key personnel, IT system failures, or program failure and external events over which the Company has limited controls such as terrorist attacks and floods. Over 2015, responsibility for the provision of services that had previously been provided by CBG was transferred to the Company and those services were either provided internally or through third party suppliers.

5. Liquidity and funding risk
Liquidity and funding risk is the risk that cash may not be available to pay obligations when due at a reasonable cost. Operationally, this is the risk that unexpectedly high levels of reclaims are received and the Company does not have sufficient liquid assets to meet this obligation.

The Company's policy is to ensure it has sufficient funds to fulfil liabilities as they fall due. Liquidity and funding risk is mitigated through effective cash management. The Company operates to a strict investment mandate, which ensures that, at all times, a substantial proportion of the Company's assets are held in a highly liquid form.

6. Credit risk
Credit risk is the risk of financial loss from a counterparty's failure to settle financial obligations as they fall due. Credit exposures arise in the normal course of the Company's business, principally from cash deposits, and from the Company's investments.

Investment decisions are made in line with a strict investment mandate in order to manage the Company's exposure to credit risk. Investments comprise fixed income investments.

7. Market risk
Market risk is the risk that the Company takes through exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Interest income may decrease as a result of such changes. The Company has limited exposure to market risk as its fixed income investments are held to maturity.

FUTURE OUTLOOK
The Company continues to develop and maintain strong relationships with its participants and stakeholders and anticipates that participations will continue in 2016 and beyond. The Company will look to deepen its understanding of reclaim activity and behaviours in order to maximise distributions to Big Lottery Fund over the years ahead.

By order of the Board

ADRIAN SMITH
Chief Executive
22 February 2016

Directors' report

To ensure the successful delivery of the Company's strategy, our Board consists of Directors with a wide range of relevant skills, knowledge and experience.

Details of changes in the composition of the Board during the year are set out in the Corporate governance report on pages 14 to 18.

Employees

During the year, all staff working on a permanent basis for the Company underwent a Transfer of Undertakings Protection of Employment ('TUPE') exercise which resulted in their now being employed directly by RFL. Prior to this, all staff working on a full time basis for the Company were employed by CFSMSL, a fellow subsidiary of CBG. The average number of employees during 2015 was five (2014: four).

Diversity

The Company is responsible, within the arrangements set out in the previous paragraph, for recruitment of its own staff. It welcomes diversity and actively promotes a policy and practice of equality in opportunity for all staff regardless of age, disability, ethnicity, gender, religion or belief, or sexual orientation.

Annual Report and Accounts

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and the Directors have taken all steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

A statement by the Directors as to their responsibilities for preparing the Annual Report and Accounts is included in the Statement of Directors' responsibilities on page 19.

The Directors of the Company during the year were:

Non-Executive Directors

Jane Hanson (Chairman)
Paul Chisnall
Adrian Coles (Senior Independent Director)
James Hardie (appointed 2 July 2015)
Robert Newton
Glyn Smith (appointed 4 February 2015)
Mark Summerfield (appointed 24 April 2015)

Executive Director

Adrian Smith

Going concern

The Directors have considered the Company's business activities together with its financial position and the factors likely to affect its future development and performance.

Consequently, after making enquiries, the Directors are satisfied that the Company has sufficient resources to continue in business for the foreseeable future and have therefore adopted the going concern basis in preparing the Annual Report and Accounts.

Distributions

No dividend distributions were made to the parent company (Co-operative Banking Group Ltd) as, under the Dormant Bank and Building Society Accounts Act 2008, the capital reserve cannot be distributed to the parent.

During the year £37.1m (2014: £57.0m) was paid to Big Lottery Fund for onward distribution to good causes across the UK.

Charitable and political donations

No charitable or political donations were made during the year (2014: £nil).

Matters covered in the Strategic report

All mandatory disclosures which the Directors consider to be of strategic importance are disclosed in the Strategic report.

Auditors

Following a review by our ultimate parent, Co-operative Group Ltd, of its external auditors, a resolution to appoint Ernst & Young LLP as auditors of Co-operative Group Ltd and its subsidiaries will be proposed at the forthcoming Co-operative Group Ltd AGM. This resolution has been considered and approved by the RFL Audit & Risk Committee and Board and, subject to the outcome of the vote at the Co-operative Group Ltd AGM, Ernst & Young LLP will be formally approved as external auditors for RFL at the subsequent RFL Board meeting.

By order of the Board

ADRIAN SMITH
Chief Executive

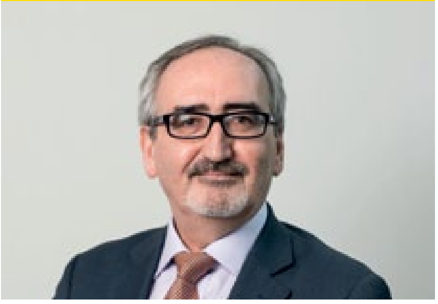
22 February 2016

Governance

The Board

Non-Executive Directors

JANE HANSON *JP, BA (Hons), FCA*
Chairman
Jane joined the Board in 2011 and served as Chairman of the AARC prior to being appointed as Board Chairman on 18 August 2014. A Fellow of the Institute of Chartered Accountants with over 25 years' experience in financial services. Jane is also a Non-Executive Director and Chairman of the Board Risk Committee at Direct Line Insurance Group plc; Independent Member of the Fairness Committee at ReAssure UK; and a Non-Executive Director and Chairman of the Board Risk Committee at Old Mutual Wealth. Her previous executive roles include Risk and Governance Director at Aviva's Life Business. Jane is also a Magistrate.



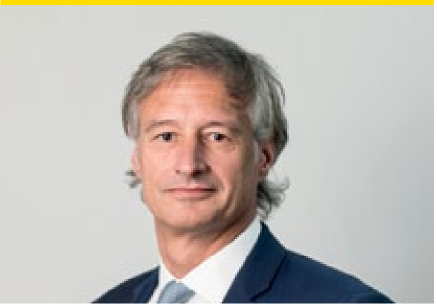
PAUL CHISNALL *BA (Hons), Dip IoD*
Non-Executive Director
Paul joined the Board in 2011. He is an Executive Director of the British Bankers' Association ('BBA') and in this capacity headed up the BBA's preparatory work on dormant accounts and took part in the introduction of the 'mylostaccount' central tracing service. Paul also leads the BBA's work on corporate governance and professional standards.

ADRIAN COLES *BA, MA*
Senior Independent Director
Adrian joined the Board in 2011, served as Acting Chairman between 15 February and 17 August 2014 and was appointed Senior Independent Director on 5 December 2014. Adrian was Director General of the Building Societies Association between 1993 and 2013 and now holds a number of Chairmanships and Non-Executive Directorships. He is Chairman of the Housing Securities Ltd group, a member of the Financial Services Commission (Gibraltar), a Non-Executive Director of Progressive Building Society and a Non-Executive Director of BSA Pension Trustees Ltd. In August 2015, he was appointed as Chairman of the Fairer Finance Consumer Advisory Board. Adrian was awarded an OBE in 2011 for services to financial services.

JAMES HARDIE *MA (Hons), MBA*
Non-Executive Director
James joined the Board on 2 July 2015 as an independent Non-Executive Director and is Chairman of the Investment Committee. James is Director of Investment Management and Treasury at Direct Line Insurance Group plc and is also a Director of DLG Pension Trustee Ltd.

ROBERT NEWTON *BSc, FIA, CDir*
Non-Executive Director
Robert joined the Board in 2010 and served as Acting Chairman of the Audit and Risk Committee between 18 August 2014 and 3 February 2015. With over 40 years' experience in the financial services industry, Robert is Chairman of Silentair Group Limited and Chairman of CIS General Insurance Ltd.

GLYN SMITH *MA, FCA*
Non-Executive Director
Glyn joined the Board on 4 February 2015 as an independent Non-Executive Director and is Chairman of the Audit and Risk Committee. A chartered accountant with over 35 years' experience in financial services, Glyn held senior executive positions at Barclays Bank and was Group Finance Director of Portman Building Society. He is currently a Non-Executive Director of Coventry Building Society, Covent Garden Market Authority and FCO Services and chairs the Audit Committees at all three organisations. He was formerly a Non-Executive Director of Domestic & General Group and a member of the ICAEW examinations team.



MARK SUMMERFIELD *BA (Hons)*
Non-Executive Director
Mark joined the Board on 24 April 2015 as a Non-Executive Director nominated by Co-operative Banking Group Ltd. Mark is Chief Executive of CIS General Insurance Ltd and previously carried out executive roles for Sesame, Prudential and Fleming before joining the Co-operative Group in 2004.

Executive Director

ADRIAN SMITH *DipMS*
Chief Executive
Adrian joined the Board in 2010. He was previously a senior leader at Britannia Building Society, Bank of Ireland and Bristol & West Building Society and a former Non-Executive Director of Mutual Plus Ltd. Adrian was responsible for leading the project to establish Reclaim Fund Ltd during 2009/10 and was subsequently appointed as Chief Executive.

> "I am grateful to the entire Board for their professional and dedicated stewardship of the business during the year."

JANE HANSON
Chairman

Corporate governance report

The Company voluntarily follows the spirit of the UK Corporate Governance Code ('the Code') as a way of providing assurance to stakeholders around our operations and framework. Technically the Code only applies to premium listed companies but the Board strongly believes in the benefits of good governance practices.

As discussed in the Chairman's review, 2015 saw a number of changes to the Board, building on the changes introduced in 2014. These changes are outlined in more detail below. The Board believes that these appointments bring new challenge and oversight to the Company, with the additional skills and experience building on existing talent, standing the Company in good stead for the year ahead.

ROLES AND RESPONSIBILITIES OF THE BOARD

To ensure the successful delivery of the Company's strategy, the Board consists of Directors with a wide range of relevant skills, knowledge and experience.

The Directors are committed to leading and controlling the Company effectively. The Board is responsible for the success of the Company within a framework of controls, which enables risk to be assessed and managed. It is responsible for setting strategy, maintaining the policy and decision making framework in which this strategy is implemented, ensuring that the necessary financial and human resources are in place to meet strategic aims, monitoring performance against key financial and non-financial indicators, overseeing the system of risk management and setting values and standards in governance matters.

The Board is accountable for the careful direction of the Company's affairs, in particular the safe stewardship of funds held to meet future reclaims by dormant account holders and the optimisation of payments to Big Lottery Fund for good causes.

Under the Company's governance arrangements, certain key decisions can only be made by the Board and may not be delegated. The matters reserved to the Board are set out in a formal Schedule of Matters Reserved to the Board, detailing the specific responsibilities of the Board.

The Board manages these matters at its regular Board meetings. It met seven times in 2015 (one meeting was held jointly with the AARC) and held one half day strategy review meeting.

The assignment of responsibilities between the Chairman and the Chief Executive is documented to ensure a clear division between running the Board and executive responsibility for running the Company's business.

Adrian Coles has been the Senior Independent Director since December 2014. The Senior Independent Director is available to employees and stakeholders if they have concerns that are unresolved after contact through the normal channels or where such contact would not be appropriate.

BOARD CHANGES

A Board skills review conducted by external consultants Warren Partners during 2014 concluded that the Board had changed significantly over the previous 12 months and that there was a need to recruit additional skills in order to reflect the evolution of the business to an outsourced business model and to address a number of strategic and operational challenges requiring a change of Board focus. As a result, Glyn Smith, Mark Summerfield and James Hardie were appointed as Non-Executive Directors on 4 February 2015, 24 April 2015 and 2 July 2015 respectively.

The aggregate emoluments of the Directors of Reclaim Fund Ltd for the year were £398k (2014: £353k).

BOARD MEETINGS

The Company Secretary and Chief Executive maintain a two-year rolling agenda which sets the framework for Board meetings and seeks to ensure that each meeting covers an appropriate range of topics and that, over the year, the Board covers its whole remit.

Board and Committee papers are distributed at least one week in advance of meetings. This provides the opportunity for Directors to prepare fully for meetings. The minutes of all meetings are circulated to all Directors. iPads have been provided to Directors to provide all Board papers, including additional supporting material, solely in electronic format. This is environmentally sounder than providing Board documentation in paper format and also provides greater security over paperwork.

There is regular communication between the Directors, the Chairman and the Company Secretary between meetings.

When a Director is unable to attend Board or Committee meetings, issues can be raised with the Chairman. Communication between Non-Executive Directors and management is encouraged between meetings.

Regular Board business

At every regular meeting the Board receives reports from the Chief Executive and the Chief Risk Officer, as well as key performance indicators, a PR and communications report and an update from the Company Secretary. The Chairmen of the four Board Committees (Audit and Risk, Investment, Remuneration and Nomination) also present a summary of issues raised, decisions made and recommendations proposed at recent Committee meetings. These are noted and discussed further by the Board as required.

Specific areas of focus

In addition to covering the regular business discussed above, Board meeting agendas develop organically in line with the Company's strategic priorities, regulatory trends and other external factors. A rolling agenda of items for Board consideration and approval is maintained and regularly updated. During 2015, the Board discussed, inter alia, the Company's distribution policy, the balanced scorecard, the Company's investment strategy, business continuity and corporate governance. It also oversaw the project management of the transition of certain services provided by the Co-operative Group to an in-house or outsourced solution. The Board strategy review in September was facilitated by an external provider and focussed on items of key strategic importance for the Company, including potential areas of growth, promotion, investments, distribution and modelling.

BOARD COMMITTEES

The Board has delegated certain responsibilities to the four Committees listed below, each of which has written terms of reference covering the authority delegated to it by the Board. Each of these Committees has a role in ensuring the effectiveness of the Company.

In May 2014, the Board agreed to suspend the Remuneration and Appointments Committee and the remit of this Committee was subsumed into the full Board pending further appointments of Non-Executive Directors to the Board. On 6 March 2015, the Board re-established the Remuneration Committee and constituted a separate Nomination Committee.

Audit and Risk Committee

The AARC receives reports from the Company's internal and external auditors, the Executive Risk Committee and the Risk and Compliance functions. Its remit includes matters relating to compliance with applicable regulations and legislation, including the Dormant Bank and Building Society Accounts Act 2008, the effectiveness of systems of control, risk management, the internal capital adequacy process, arrangements for compliance, internal and external audit, and the Annual Report and Accounts.

During the year the AARC comprised:

- Glyn Smith (appointed to AARC as Chairman on 4 February 2015)
- Robert Newton (acting Chairman until 3 February 2015)
- Paul Chisnall
- Jane Hanson (until 6 March 2015)
- James Hardie (from 23 October 2015)

The Committee met six times during 2015, with one meeting being jointly held with the Board.

As in previous years, the AARC reviewed the Annual Report and Accounts in detail, together with the external auditors' reports thereon. The Committee paid particular attention to process and control issues in the light of the organisational changes made in the year. It also considered key areas of accounting judgment, with particular emphasis on the provision for reclaims of dormant account balances. At each meeting, the Committee received reports from the Executive Risk Committee, the CRO and the internal auditors, including reports on individual audits undertaken. These reports informed the Committee's views when considering the annual assessment of the adequacy of the Company's systems of internal control.

The Committee also considered and approved the annual plans of the external auditors, the internal auditors and the Risk function and reviewed the effectiveness of the external auditors. As the internal auditors had only recently been appointed through a competitive tender process, it was not considered appropriate to conduct a formal effectiveness review in 2015, although the Committee regularly gave feedback to the internal auditors at each Committee meeting.

In addition to the regular reports referred to above, the Committee also considered the Internal Capital Adequacy Assessment Process ('ICAAP') and reports on key risk areas both from management and external experts. It also conducted an annual review of participant agency agreements. The Committee's terms of reference were reviewed during the year and were updated to continue to reflect best practice, having due regard to the size of the Company.

The Board is satisfied that one member of the AARC, Glyn Smith, has recent and relevant financial experience and that the Committee as a whole has competence relevant to the sector in which the Company operates.

Corporate governance report continued

Investment Committee

The Investment Committee was established on 26 July 2013 to support the Board and the Chief Executive in the development and implementation of the RFL Investment Strategy and to provide assurance to the Board with regard to the ongoing performance and compliance of the nominated Investment Manager and Custodian with the Board agreed investment mandates and requirements.

During the year the Committee comprised:

- James Hardie (appointed to the Committee as Chairman on 2 July 2015)
- Adrian Coles (acting Chairman until 1 July 2015)
- Jane Hanson

The Committee met four times during 2015.

The Investment Committee spent 2015 consolidating its membership, constitution and terms of reference, and focussed particularly on laying the foundations for reviewing the investment strategy, and reviewing the performance and reporting of the Investment Manager and Custodian.

Remuneration Committee

The Remuneration Committee considers and approves the remuneration arrangements for Executive Directors and Senior Management.

During the period since its re-establishment the Committee comprised:

- Adrian Coles (Chairman)
- Jane Hanson
- Glyn Smith

The Committee met five times in 2015.

The Committee held a joint meeting with the Nomination Committee in May 2015 to review a detailed report produced by FIT Remuneration Consultants on remuneration levels for the Chief Executive and Senior Management. The Remuneration Committee also considers and recommends the 2015 and 2016 performance and bonus frameworks and the framework for remuneration arrangements for the Chief Executive, Senior Management and employees following the transfer of employment to the Company.

Nomination Committee

The Nomination Committee leads the process for Board appointments, ensuring a rigorous search and selection process based on its evaluation of the balance of skills, knowledge and experience required on the Board. The Committee also considers and approves the remuneration arrangements for Non-Executive Directors.

In addition to the joint meeting with the Remuneration Committee, the Nomination Committee met twice in 2015.

During the period since its establishment, the Committee comprised:

- Jane Hanson (Chairman)
- Paul Chisnall
- Adrian Coles

Attendance

The following table sets out the number of Board and Board Committee meetings each Director was eligible to attend (number in brackets) along with the actual meetings attended during 2015.

Directors	Full Board[1]	Audit & Risk Committee[1]	Remuneration Committee[2]	Nomination Committee[2]	Investment Committee
Paul Chisnall	7 (7)	5 (6)	–	2 (2)	–
Adrian Coles	7 (7)	–	5 (5)	2 (2)	3 (4)
Jane Hanson	7 (7)	2 (2)	5 (5)	2 (2)	4 (4)
James Hardie	4 (4)	2 (2)	–	–	3 (3)
Robert Newton	7 (7)	6 (6)	–	–	–
Adrian Smith	7 (7)	–	–	–	–
Glyn Smith	6 (6)	5 (5)	5 (5)	–	–
Mark Summerfield	5 (5)	–	–	–	–

1 The meeting held in November 2015 was a joint meeting of the Board and the Audit & Risk Committee.
2 The meeting held in May 2015 was a joint meeting of the Remuneration Committee and the Nomination Committee.

PROVISION OF ADVICE TO DIRECTORS

There is an agreed procedure by which Directors may take independent professional advice at the Company's expense in furtherance of their duties.

TRAINING AND PROFESSIONAL DEVELOPMENT

The Chairman and the Board support the ongoing professional development of the Directors. During the year, the Directors attended a number of internal and external training sessions, both on an individual basis and in a meeting forum. Training sessions have been built into the Board and Committee agendas for 2016 based on the individual and collective requirements of the Board.

BOARD EVALUATION

In line with best practice, we aim to conduct external Board evaluations at least once every three years. A Board skills review was conducted in 2014, which concluded that the Board was effective but required additional skill sets on the Board in order to address the Company's future strategic and operational challenges. These changes are set out in more detail on page 14. The Board and its Committees became fully populated during 2015 and the Board thus agreed to conduct an internal evaluation of the effectiveness of both the Board and its Committees during 2016.

THE SECRETARY TO THE BOARD

The Secretary is professionally qualified and is responsible for advising the Board through the Chairman on all governance matters. The Directors have access to the advice and services of the Secretary.

The Articles of Association and the schedule of Matters Reserved to the Board for decision provide that the appointment and removal of the Secretary is a matter for the full Board. Jordan Company Secretaries Ltd was Secretary throughout the year.

THE LEADERSHIP TEAM

It is the responsibility of the Leadership Team to implement the strategic objectives as agreed by the Board. The Leadership Team, led by the Chief Executive, is responsible for the day-to-day management of the Company.

OWNERSHIP

The Company is a wholly owned subsidiary of Co-operative Banking Group Ltd.

INTERNAL CONTROLS AND RISK MANAGEMENT FRAMEWORK

The Board and Executive management have the primary responsibility for identifying the key business risks facing the organisation.

Internal controls are the activities undertaken by management, the Board and other parties to enhance risk management and increase the probability that established objectives and goals will be achieved. The Board has overall responsibility for the Company's system of internal controls which aims to ensure effective and efficient operations, quality of internal and external reporting, safeguarding of the Company's assets and compliance with laws and regulations. The Board recognises that any system can only be designed to manage rather than eliminate risks and can only provide reasonable and not absolute assurance against material misstatement or loss.

The risk management framework includes an ongoing process for identifying, evaluating and managing significant risks and has been in place for the whole of the year under review and up to the date of the approval of the Annual Report and Accounts.

A Conflicts of Interest Policy is in place to ensure the independence of Directors and the management of potential conflicts.

Corporate governance report continued

EXTERNAL AUDIT

The performance of the external auditors is regularly monitored to ensure it meets the needs of the Company and the results are considered by the AARC.

INTERNAL AUDIT

The internal audit function is an independent function, which reports to the AARC. Its primary role is to provide assurance over the adequacy and effectiveness of the internal control framework including risk management practices.

Internal audit seeks to discharge the responsibilities set down in its charter by completing a risk based internal audit plan, reviewing the processes which ensure that the key business risks are effectively managed by key controls.

Deloitte LLP provided internal audit services to the Company throughout the year.

Internal audit also acts as a source of constructive advice and best practice, assisting senior management with its responsibility to improve the processes by which business risks are identified and managed.

Internal audit reports are submitted to, and significant issues discussed at, the AARC.

GOING CONCERN AND VIABILITY STATEMENT

The Directors' confirmation that they have adopted the going concern basis in preparing the Annual Report and Accounts is set out on page 10.

In addition to performing a review of the going concern position, the Directors have also, in the spirit of the Corporate Governance Code, assessed the prospects of the Company over a longer period than the 12 months.

RFL was originally established as an authorised reclaim fund under the Financial Services Authority ('FSA', now FCA) Regulating Reclaim Funds Policy Statement (PS09/12) and as such is required to produce an ICAAP that is considered by the AARC and approved by the Board annually.

The ICAAP is a key part of the risk management framework of RFL and incorporates stress and scenario tests designed to produce a comprehensive assessment of current and projected risk and capital positions. The process assists RFL in evaluating, over a three year period, the key risks to which it is exposed and the levels of capital and other financial resources that should be maintained to safeguard the capital position of the business at all times including during a stress scenario.

Based on the results of ICAAP, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the three year period of their assessment.

On behalf of the Board of Directors

JANE HANSON
Chairman
22 February 2016

Statement of Directors' responsibilities

in respect of the Strategic report, the Directors' report and Annual Report and Accounts

The Directors are responsible for preparing the Strategic report, the Directors' report and the Annual Report and Accounts in accordance with applicable law and regulations.

Company law requires the Directors to prepare the Annual Report and Accounts for each financial year. Under that law, the Directors have elected to prepare the Annual Report and Accounts in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the European Union ('EU') and applicable law.

Under Company law, the Directors must not approve the Annual Report and Accounts 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 the Annual Report and Accounts, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU; and
- prepare the Annual Report and Accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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 Annual Report and Accounts 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of the Annual Report and Accounts may differ from legislation in other jurisdictions.

Independent auditor's report

to the members of Reclaim Fund Ltd

We have audited the Annual Report and Accounts of Reclaim Fund Ltd for the year ended 31 December 2015 set out on pages 21 to 42. The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the EU.

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' responsibility statement set out on page 19, the Directors are responsible for the preparation of the Annual Report and Accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the Annual Report and Accounts 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 ANNUAL REPORT AND ACCOUNTS

A description of the scope of an audit of the Annual Report and Accounts is provided on the Financial Reporting Council's web site at www.frc.org.uk/auditscopeukprivate

OPINION ON ANNUAL REPORT AND ACCOUNTS

In our opinion the Annual Report and Accounts:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its result for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the EU; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Strategic report and Directors' report for the financial year for which the Annual Report and Accounts are prepared is consistent with the Annual Report and Accounts.

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 Annual Report and Accounts 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.

KAREN ORR
Senior Statutory Auditor
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

22 February 2016

Financial statements

Income statement

for the year ended 31 December 2015

	Notes	2015 £'000	2014 £'000
Amounts received in respect of dormant accounts	3	131,310	95,047
Interest income	4	3,590	3,246
Interest expense	4	(75)	(41)
Net income		134,825	98,252
Administrative expenses	2	(2,346)	(2,020)
Provision for reclaims of dormant account balances	11	(52,524)	(38,018)
Operating result before distributions		79,955	58,214
Provision for future distributions to Big Lottery Fund	12	(79,721)	(57,948)
Profit before taxation		234	266
Taxation	5	(234)	(266)
Retained profit	1	–	–

The notes on pages 27 to 42 form part of the Annual Report and Accounts.

Statement of comprehensive income

for the year ended 31 December 2015

	Notes	2015 £'000	2014 £'000
Retained profit for the year	1	–	–
Other comprehensive income for the year, net of taxation		–	–
Total comprehensive income for the year		–	–

Total comprehensive income is attributable to the equity holders of the Company. The Dormant Bank and Building Society Accounts Act 2008 prohibits the capital reserve being distributed to the parent Company.

The notes on pages 27 to 42 form part of the Annual Report and Accounts.

Statement of financial position

as at 31 December 2015

	Notes	2015 £'000	2014 £'000
Assets			
Intangible assets	6	37	–
Plant and equipment	7	217	–
Cash and cash equivalents	8	487,852	407,849
Investment securities	9	73,135	71,595
Trade and other receivables	10	98	62
Deferred tax asset	5	–	118
Total assets		561,339	479,624
Liabilities			
Provision for reclaims of dormant account balances	11	305,362	266,532
Provision for future distributions to Big Lottery Fund	12	181,374	138,773
Amounts due to other Co-operative Banking Group undertakings	16	161	220
Trade and other payables	13	613	386
Current income tax liability	5	88	–
Deferred tax liability	5	28	–
Total liabilities		487,626	405,911
Capital and reserves			
Share capital (£100)	15	–	–
Capital reserve		73,713	73,713
Total equity		73,713	73,713
Total liabilities and equity		561,339	479,624

The notes on pages 27 to 42 form part of the Annual Report and Accounts.

Approved by the Board of Directors on 22 February 2016 and signed on its behalf by:

ADRIAN SMITH
Chief Executive

Statement of cash flow

for the year ended 31 December 2015

	Notes	2015 £'000	2014 £'000
Cash flows from operating activities			
Profit before tax		234	266
Adjustments:			
Amortisation of intangibles	6	9	–
Depreciation of plant and equipment	7	41	–
(Increase) in trade and other receivables		(36)	(60)
Increase/(decrease) in trade and other payables		168	(72)
Increase in provision for reclaims of dormant account balances	11	52,524	38,018
Increase in provision for future distributions to Big Lottery Fund		42,601	958
Interest amortisation	9	1,494	1,387
(Increase) in accrued income		(60)	(15)
Interest received		(4,827)	(4,643)
Payments made in respect of participant reclaims	11	(13,694)	(10,249)
Taxation	5	–	–
Net cash flows from operating activities		78,220	25,324
Cash flows from investing activities			
Purchase of investment securities	9	(2,974)	(4,514)
Interest received		4,827	4,643
Purchase of plant and equipment	7	(258)	–
Purchase of intangibles	6	(46)	–
Net cash flows from investing activities		1,549	129
Net increase in cash and cash equivalents		80,003	25,719
Cash and cash equivalents at the beginning of the financial year		407,849	382,130
Cash and cash equivalents at the end of the financial year	8	487,852	407,849

The notes on pages 27 to 42 form part of the Annual Report and Accounts.

Statement of changes in equity

for the year ended 31 December 2015

	Share capital £'000	Capital reserve £'000	Total £'000
2015			
Balance at the beginning of the financial year	–	**73,713**	**73,713**
Total comprehensive income for the financial year	–	–	–
Balance at the end of the financial year	–	**73,713**	**73,713**
2014			
Balance at the beginning of the financial year	–	73,713	73,713
Total comprehensive income for the financial year	–	–	–
Balance at the end of the financial year	–	73,713	73,713

The notes on pages 27 to 42 form part of the Annual Report and Accounts.

Notes to the Company financial statements

for the year ended 31 December 2015

SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

Reclaim Fund Ltd is a limited liability Company, incorporated in the United Kingdom and registered in England and Wales.

The Annual Report and Accounts have been prepared under the historic cost convention. The Company applies the recognition, measurement and disclosure requirements of IFRSs in issue that are endorsed by the EU and effective at the beginning of the year. All amounts presented are stated in thousands of GBP (£'000), unless otherwise stated.

Standards and interpretations issued and effective

In preparing these Annual Report and Accounts, the Company has adopted the following standards and interpretations that are new or revised and became effective during the year:

- 'Annual Improvements to IFRS 2010-2012 cycle', issued December 2013 and effective for financial years beginning on or after 1 July 2014 (with the mandatory application date for EU entities being financial years beginning on or after 1 February 2015). The IASB have made amendments to the following standards that are relevant to RFL, IFRS 13 'Fair Value Measurement', IAS 16 'Property, Plant and Equipment', IAS 24 'Related Party Disclosures' and IAS 38 'Intangible Assets'.
- 'Annual Improvements to IFRS 2011-2013 cycle', issued December 2013 and effective for financial years beginning on or after 1 July 2014 (with the mandatory application date for EU entities being financial years beginning on or after 1 January 2015).

The impact of the above changes on the financial statements is not deemed significant.

Standards and interpretations not yet issued

The following IASB pronouncements are relevant to RFL but were not available for adoption in the EU and have not been applied by RFL in the 31 December 2015 reporting year. The impact of these pronouncements is still being assessed by the RFL. Except where otherwise stated, RFL does not expect that the adoption of the following standards, amendments to standards and interpretations will have a material impact on the financial statements:

- Amendments to IAS 16 and IAS 38 'Clarification of Acceptable Methods of Depreciation and Amortisation', issued May 2014 and effective for financial years beginning on or after 1 January 2016. IAS 16 and IAS 38 both establish the principle for the basis of depreciation and amortisation being the expected pattern of consumption of the future economic benefits of an asset. This amendment provides clarification that the use of certain revenue based methods to calculate depreciation is not appropriate.
- IFRS 9 'Financial Instruments', issued July 2014 and effective for financial years beginning on or after 1 January 2018. This standard replaces IAS 39 'Financial Instruments: Recognition and Measurement' and contains new requirements for the classification and measurement of financial assets and liabilities, the recognition of impairment, and hedge accounting. This standard is expected to have a significant impact on the Company in line with the wider industry.

Going concern

The Directors have considered the Company's business activities together with its financial position and the factors likely to affect its future development and performance.

Consequently, after making enquiries, the Directors are satisfied that the Company has sufficient resources to continue in business for the foreseeable future and have therefore continued to adopt the going concern basis in preparing the Annual Report and Accounts.

Notes to the Company financial statements continued

for the year ended 31 December 2015

SIGNIFICANT ACCOUNTING POLICIES continued

Use of estimates and judgments

The preparation of Annual Report and Accounts requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in any future years affected.

Information about significant areas of critical judgment in applying accounting policies that have the most significant effect on the amounts recognised in the Annual Report and Accounts are described within the significant accounting policies below.

Significant areas of estimation uncertainty that have the most effect on the amounts recognised in the Annual Report and Accounts relate to the provision for reclaims of dormant account balances of £305.4m (2014: £266.5m) and the provision for future distributions to Big Lottery Fund of £181.4m (2014: £138.8m).

Provision for reclaims of dormant account balances

Upon transfer of dormant account monies from UK financial institutions to the Company, the obligation to repay dormant account holders who subsequently reclaim their money is also transferred to the Company.

The Company therefore records a provision for future repayments of individuals' balances. To the extent that actual reclaims are different to those provided, additional charges or income are reflected in future years.

In addition, management continues to monitor actual reclaim rates to assess whether the provisioning methodology remains appropriate.

For every 1% increase in the provision for reclaims of dormant account balances, the impact on the operating result before distributions would be a reduction of £8.6m (2014: £7.2m).

Provision for future distributions to Big Lottery Fund

The Company also records a provision for future distributions for payments to Big Lottery Fund. This represents amounts that the Company will expect to pay over to Big Lottery Fund in future years.

Not all the surplus funds are paid over to Big Lottery Fund immediately, and the exact timings of these future payments are uncertain and depend on the value and timing of reclaims made.

Revenue recognition

(i) Amounts received in respect of dormant accounts

Amounts received in respect of dormant accounts represent receipts, from other UK based financial institutions, of dormant account monies and are recognised in accordance with IAS 18 'Revenue' where there is a probability that future economic benefits will flow to the Company and these benefits can be measured reliably.

(ii) Interest income

Interest income is recognised on an effective interest rate ('EIR') basis, inclusive of directly attributable incremental transaction costs and fees, and discounts and premiums where appropriate. The EIR spreads the interest income over the expected life of the instrument. The EIR is the rate that, at inception, exactly discounts expected future cash payments and receipts through the expected life of the instrument to the initial carrying amount. When calculating the EIR, the Company estimates cash flows considering all contractual terms of the instrument (for example, prepayment options), but does not consider future credit losses.

Provisions

A provision is recognised in the balance sheet when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Upon transfer of dormant account monies from UK financial institutions to the Company, the right of individual account holders to reclaim their money is also transferred from the financial institution to the Company.

The Company therefore records a provision for future repayments of dormant account balances. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate, based on actual reclaim experience. The Directors regard the provision as a key accounting judgement.

The calculation of the provision for future repayments of dormant account balances is inherently complex, with significant amounts of uncertainty. In performing the calculation, the Directors have applied a level of stress which they believe reasonably accounts for the long-term nature of the provision.

The Company also records a provision for future distributions to Big Lottery Fund. This represents amounts which the Company will pay over to Big Lottery Fund in future years. The provision is recognised as a result of the uncertain timing of when these payments will be made. The Directors regard this provision as a key accounting judgment.

Distributions to Big Lottery Fund

The Dormant Bank and Building Society Accounts Act 2008 dictates that the Company is obliged to pay over the excess of dormant account monies received, after deduction of running costs, to Big Lottery Fund for ongoing distribution to the benefit of the community.

Distributions to Big Lottery Fund are recognised in the income statement when a constructive or legal obligation exists for payment.

Taxation

The Company is subject to corporation tax. In accordance with tax legislation, any profits arising from the Company's continuing activity of receiving dormant account monies and making distributions to Big Lottery Fund are exempt from tax. Any profits remaining from net investment income, after deduction of operating expenses, are taxable.

Corporation tax can consist of both current tax and deferred tax. Corporation tax is recognised in the income statement except to the extent it relates to items recognised directly as other comprehensive income, in which case it is recognised in the statement of comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided for is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be released or realised.

Notes to the Company financial statements continued

for the year ended 31 December 2015

SIGNIFICANT ACCOUNTING POLICIES continued

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and balances with a maturity of three months or less from the acquisition date, which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Investment securities

Investment securities comprise held to maturity assets, which are non-derivative financial assets with fixed or determinable payments and fixed maturities that management has the positive intention and ability to hold to maturity. They are initially recognised at fair value plus directly attributable transaction costs and are subsequently carried at amortised cost using the effective interest method.

Capital reserve

The capital reserve represents surplus funds after costs, retained by the Company in order to maintain the necessary capital base to ensure the long-term viability of the organisation.

Under the Dormant Bank and Building Society Accounts Act 2008, the capital reserve is not distributable to the parent undertaking.

Leases

Operating lease costs are charged to the income statement in the period in which they are incurred. The assets are not recognised in the Company's balance sheet.

Intangible assets

Intangible assets comprise computer software recorded at cost less accumulated amortisation and any impairment losses.

Amortisation is calculated using the straight-line method to allocate the cost of the assets to their residual values over their estimated useful lives, being three years.

These assets' residual value and useful lives are reviewed at each reporting date and adjusted if appropriate.

The carrying values of computer software are reviewed for impairment when events or changes in circumstances indicate that the carrying value may be impaired. If any such condition exists, the recoverable amount of the asset is estimated, in order to determine the extent of impairment, and the difference is charged to the income statement.

Plant and equipment

All plant and equipment is recorded at cost less accumulated depreciation and any impairment losses. Depreciation is calculated using the straight-line method to allocate the cost of the assets to their residual values over their estimated useful lives as follows:

Fixtures and fittings – five years

Computer hardware – three years

These assets' residual value and useful lives are reviewed at each reporting date and adjusted if appropriate.

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may be impaired. If any such condition exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment and the difference is charged to the income statement.

1. RETAINED PROFIT

	2015 £'000	2014 £'000
Retained profit for the year is stated after charging:		
Auditor's remuneration		
– audit of these financial statements	30	26
– other non-audit services	9	–

2. ADMINISTRATIVE EXPENSES

Administrative expenses include costs incurred for the services of CFSMSL, a fellow subsidiary of Co-operative Banking Group Ltd. These costs include an amount for individuals who worked on a full time basis for the Company prior to the TUPE exercise, which resulted in their now being employed directly by the Company. The average number of employees during 2015 was five (2014: four).

A breakdown of the administrative expenses for 2015 and 2014 is shown in the table below:

	2015 £'000	2014 £'000
Staff costs	959	716
Shared services	89	338
Professional services	573	457
Operating model review expenses	349	277
FCA/BBA fees and FSCS levies	114	171
IT services	74	–
Premises costs	104	–
Miscellaneous expenses	84	61
	2,346	2,020

Financial Services Compensation Scheme ('FSCS') levies

The FSCS has provided compensation to customers of financial institutions following the collapse of deposit takers in 2008. The compensation paid out to consumers is currently funded through loans from HM Treasury. The Company is liable to pay a proportion of the outstanding amounts that the FSCS has borrowed from HM Treasury. Additionally, the Company is obliged to pay its share of management expenses and compensation based upon the Company's proportion of the total market protected deposits at 31 December of each year.

The ultimate FSCS levy to the industry as a result of the 2008 collapses cannot currently be estimated reliably, as it is dependent on other factors that may affect amounts payable and the timing of amounts payable, including changes in interest rates, potential recoveries of assets by the FSCS and the level of protected deposits.

Notes to the Company financial statements continued

for the year ended 31 December 2015

2. ADMINISTRATIVE EXPENSES continued

Directors' emoluments

Details of the aggregate Directors' emoluments for the years ended 31 December 2015 and 31 December 2014 are shown below.

The basic salary for Non-Executive Directors includes only those for whom the Company incurs the cost.

Year ended 31 December 2015	Basic salary £'000	Performance related pay[1] £'000	Pension contributions[3] £'000	Benefits in kind[4] £'000	Total emoluments £'000
Non-Executive Directors	150	–	–	16	166
Executive Director[2]	154	53	17	8	232
	304	53	17	24	398

Year ended 31 December 2014	Basic salary £'000	Performance related pay[1] £'000	Pension contributions[3] £'000	Benefits in kind[4] £'000	Total emoluments £'000
Non-Executive Directors	120	–	–	7	127
Executive Director[2]	150	52	16	8	226
	270	52	16	15	353

1 Performance related pay refers to estimated bonus amounts earned based on financial and non-financial performance targets.
2 This represents emoluments of the highest paid Director of £232k (2014: £226k).
3 During the year one Director (2014: one) was a member of a money purchase pension scheme.
4 Benefits in kind are in respect of car allowances, travel and accommodation.

3. AMOUNTS RECEIVED IN RESPECT OF DORMANT ACCOUNTS

During the year, £131.3m (2014: £95.0m) in respect of dormant accounts funds was received. A detailed analysis of receipts by participants is provided below:

Participant	2015 £'000	2014 £'000
Barclays Bank PLC	**24,292**	25,233
Commonwealth Bank of Australia – London branch	**–**	–
Clydesdale Bank PLC	**22,239**	–
The Co-operative Bank plc	**1,419**	1,122
Danske Bank	**233**	256
HSBC Bank plc	**5,457**	10,701
Lloyds Banking Group		
Lloyds Bank plc	**6,249**	38,763
Bank of Scotland plc	**19,152**	–
Nationwide Building Society	**4,878**	6,060
Royal Bank of Scotland		
Adam & Company plc	**2**	1
Coutts & Co	**5**	108
National Westminster Bank plc	**21,316**	1,039
The Royal Bank of Scotland plc	**7,043**	486
Ulster Bank Limited	**1,527**	634
Santander UK plc	**12,299**	8,648
TSB Bank plc	**–**	–
Virgin Money plc	**5,199**	1,996
	131,310	95,047

Notes to the Company financial statements continued

for the year ended 31 December 2015

4. INTEREST INCOME AND EXPENSE

	2015 £'000	2014 £'000
Interest income:		
On investment securities	1,422	1,355
On cash deposits	2,168	1,891
	3,590	3,246
Interest expense	75	41

5. TAXATION

The Company is subject to corporation tax. In accordance with tax legislation, any profits arising from the Company's continuing activity of receiving dormant account monies and making distributions to Big Lottery Fund are non-taxable. Any profits remaining from net investment income, after deduction of operating expenses are taxable.

In accordance with IAS 12 'Income Taxes', a reconciliation between accounting profit and tax charge for the year is provided below:

	2015 £'000	2014 £'000
Current tax		
UK corporation tax at 20.25% (2014: 21.5%)	88	–
Deferred tax		
Current tax liability	28	–
Utilisation of prior year tax losses	118	266
Total charge in year	234	266

5. TAXATION continued

	2015 £'000	2014 £'000
Reconciliation of effective tax rate		
Profit before tax	234	266
UK corporation tax at 20.25% (2014: 21.5%)	47	57
Non-taxable income	(26,590)	(20,435)
Non-allowable provision for reclaim repayments	10,636	8,174
Non-allowable payments and provision for future distributions to Big Lottery Fund	16,140	12,516
Losses brought forward utilised in year	(118)	(266)
Expenses not deductible for tax purposes		
Depreciation	8	–
Expense not allowable	3	(46)
Capital allowances	(38)	–
Movement in deferred tax	146	266
Total tax charge for the year	234	266

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. This will reduce the Company's future current tax charge accordingly.

Deferred tax

Deferred income taxes are calculated on all temporary differences under the liability method using the rate of 18% (2014: 21.5%), which was substantively enacted at the balance sheet date.

Deferred taxation asset

	2015 £'000	2014 £'000
At 31 December 2014	118	384
Release in the year	(118)	(266)
At 31 December 2015	–	118

A deferred tax asset was recognised in 2013, in respect of the tax losses created from the initial set up costs of the Company. The asset was fully utilised in 2015 with a subsequent current tax liability being recognised in 2015.

Deferred tax liability

	2015 £'000
At 31 December 2014	–
Income statement charge in the year	28
At 31 December 2015	28

Notes to the Company financial statements continued

for the year ended 31 December 2015

6. INTANGIBLE ASSETS – COMPUTER SOFTWARE

	2015 £'000
Cost	
Opening balance	–
Additions	46
Closing balance at 31 December 2015	**46**
Amortisation	
Opening balance	–
Amortisation charge	9
Closing balance at 31 December 2015	**9**
Net book value	
Closing balance at 31 December 2015	**37**

7. PLANT AND EQUIPMENT

	Fixtures & Fittings £'000	Computer Hardware £'000	Total £'000
Cost			
Opening balance at 1 January 2015	–	–	–
Additions	111	147	258
Closing balance at 31 December 2015	**111**	**147**	**258**
Depreciation			
Opening balance at 1 January 2015	–	–	–
Depreciation charge	13	28	41
Closing balance at 31 December 2015	**13**	**28**	**41**
Net book value			
Closing balance at 31 December 2015	**98**	**119**	**217**

8. CASH AND CASH EQUIVALENTS

	2015 £'000	2014 £'000
Cash and cash equivalents	**487,852**	407,849

Cash and cash equivalents comprise £483.2m (2014: £406.5m) held with the Bank of England, £3.7m (2014: £nil) with HSBC Bank plc and £1.0m (2014: £1.0m) held with the investment manager. In 2014, £0.3m was held on behalf of the Company by The Co-operative Bank plc. The carrying value of cash and cash equivalents equates to fair value.

9. INVESTMENT SECURITIES

The movement in investment securities is summarised as follows:

	2015 £'000	2014 £'000
Held to maturity		
Listed government and government agency securities	**73,135**	71,595
	73,135	71,595

	2015 £'000	2014 £'000
At the beginning of the year	**71,595**	68,453
Acquisitions	**2,974**	4,514
Unwind of premiums	**(1,494)**	(1,387)
Unwind of accrued interest	**(1,277)**	(1,262)
Accrued interest	**1,337**	1,277
Carrying value	**73,135**	71,595

The carrying value of financial instruments measured at amortised cost is determined in compliance with the accounting policies on pages 27 to 30.

The table below sets out a summary of the carrying and fair values of financial assets classified as held to maturity:

	Carrying value £'000	Fair value £'000
2015		
Investment securities	**73,135**	**72,906**
2014		
Investment securities	71,595	71,943

The fair value of the investment securities is driven by interest rate movements, and no impairment triggers have been met in the year.

Notes to the Company financial statements continued

for the year ended 31 December 2015

10. TRADE AND OTHER RECEIVABLES

	2015 £'000	2014 £'000
Prepayments and accrued income	98	62

11. PROVISION FOR RECLAIMS OF DORMANT ACCOUNT BALANCES

	2015 £'000	2014 £'000
At the beginning of the year	266,532	238,763
Additional provision created in the year	52,524	38,018
Utilised in the year	(13,694)	(10,249)
At the end of the year	305,362	266,532

During the year, £13.7m (2014: £10.2m) of the provision for reclaims of dormant account balances was utilised. The table below shows the total value of reclaims, categorised by the participants at which the individual's account was previously held:

Participant	2015 £'000	2014 £'000
Barclays Bank PLC	1,651	1,564
Commonwealth Bank of Australia – London branch	–	–
The Co-operative Bank plc	214	94
Danske Bank	37	56
HSBC Bank plc	1,243	16
Lloyds Banking Group		
Lloyds Bank plc	2,247	439
Bank of Scotland plc	2,994	1,411
Nationwide Building Society	144	186
Royal Bank of Scotland		
Adam & Company plc	–	–
Coutts & Co	–	–
National Westminster Bank plc	163	219
The Royal Bank of Scotland plc	1	–
Ulster Bank Limited	105	–
Santander UK plc	3,193	3,674
TSB Bank plc	1,240	2,168
Virgin Money plc	462	422
	13,694	10,249

12. PROVISION FOR FUTURE DISTRIBUTIONS TO THE LOTTERY FUND

	2015 £'000	2014 £'000
At the beginning of the year	138,773	137,815
Additional provision created in the year	79,721	57,948
Utilised in the year	(37,120)	(56,990)
At the end of the year	181,374	138,773

During the year, £37.1m (2014: £57.0m) of surplus funds were distributed to Big Lottery Fund.

13. TRADE AND OTHER PAYABLES

	2015 £'000	2014 £'000
Accrued expenses	613	386

14. PARENT UNDERTAKING

The Company is a wholly owned subsidiary of Co-operative Banking Group Ltd, which is incorporated in Great Britain and registered in England and Wales under the Co-operative and Community Benefit Societies Act 2014. Its Annual Report and Accounts are available from 1 Angel Square, Manchester, M60 0AG.

The ultimate parent undertaking is Co-operative Group Ltd, which is incorporated in Great Britain and registered in England and Wales under the Co-operative and Community Benefit Societies Act 2014. Its Annual Report and Accounts are available from 1 Angel Square, Manchester, M60 0AG.

15. SHARE CAPITAL

	2015 £	2014 £
Allotted, called up and fully paid		
100 ordinary shares of £1 each	100	100

The shareholder, Co-operative Banking Group Ltd has all voting rights.

Notes to the Company financial statements continued

for the year ended 31 December 2015

16. RELATED PARTY TRANSACTIONS

The Company has not entered into any transactions with Directors of the Company or their immediate relatives.

A number of transactions have been entered into during the year with related parties. These transactions have been undertaken with the following Co-operative Banking Group and associate undertakings:

Co-operative Banking Group undertakings
CFS Management Services Limited ('CFSMSL')

Associate undertakings
The Co-operative Bank plc

	2015 £'000	2014 £'000
Transactions taking place in the year with related parties		
Co-operative Banking Group undertakings:		
Administrative expenses	**1,170**	1,615
Associate undertakings:		
Amounts received in respect of dormant accounts	**1,419**	1,122
Amounts paid in respect of reclaims	**214**	94
At the balance sheet date, related party balances:		
Co-operative Banking Group undertakings:		
Trade and other payables	**161**	220
Associate undertakings:		
Cash and cash equivalents	**–**	315

All transactions are conducted on an arm's length basis under standard commercial terms. Expenses are recharged at cost.

Some of the administrative expenses in 2015, are costs incurred by CFSMSL, a Co-operative Banking Group service company, which are subsequently recharged to RFL.

17. RISK MANAGEMENT

Liquidity and funding risk

Liquidity and funding risk is the risk that cash may not be available to pay obligations when due at a reasonable cost. Operationally, this is the risk that unexpectedly high levels of reclaims are received and the Company does not have sufficient liquid assets to meet this obligation.

The Company's policy is to ensure that it has sufficient funds to fulfil liabilities as they fall due. Liquidity and funding risk is mitigated through effective cash management. The Company operates to a strict investment mandate, which ensures that, at all times, a substantial proportion of the Company's assets are held in a highly liquid form.

Credit risk

Credit risk is the risk of financial loss from a counterparty's failure to settle financial obligations as they fall due. Credit exposures arise in the normal course of the Company's business, principally from cash deposits, and from the Company's investments.

Cash deposits are currently held with the Bank of England (£483.2m, 2014: £406.5m), HSBC (£3.7m, 2014: £nil) and the investment manager (£1.0m, 2014: £1.0m). In 2014, £0.3m was also held with The Co-operative Bank plc. The Company considers its credit risk on cash deposits to be minimal.

Investment decisions are made in line with a strict and cautious investment mandate in order to manage the Company's exposure to credit risk. Investments comprise fixed income investments.

The maximum exposure to credit risk at the balance sheet date is £561.0m (2014: £479.4m), being £487.9m cash deposits and £73.1m investments (2014: £407.8m cash deposits and £71.6m investments).

Market risk

Market risk is the risk that the Company takes through exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Interest income may decrease as a result of such changes. The Company has limited exposure to market risk, as its fixed income investments are held to maturity.

18. CAPITAL MANAGEMENT

The Company's primary objective in respect of capital management is to ensure that it has sufficient capital now and in the future to support the risks in the business. The Directors are responsible for ensuring capital is managed appropriately on an ongoing basis to meet this objective.

The Company is required by the FCA to hold regulatory capital in respect of its activities as a banking firm and capital consists of the excess of assets over liabilities. The Company has, at all times during the year under regulatory supervision, held sufficient capital to meet its regulatory capital requirement.

The Company's capital resources are its capital and reserves of £73.7m (2014: £73.7m).

Notes to the Company financial statements continued

19. COMMITMENTS

This note gives details of the Company's commitments to capital expenditure and under operating leases.

(a) Capital commitments

As at 31 December 2014, the Company had entered into contractual agreements with office equipment and IT hardware suppliers for its new office in Crewe. These amounts were incurred and capitalised in 2015.

	2015 £'000	2014 £'000
Fixtures and fittings	–	111

(b) Operating lease commitments

Operating lease commitments are in respect of the new office premises in Crewe. A 15 year lease was entered into with effect from 1 January 2015. Rentals are fixed, with a break clause every five years.

The future contractual aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2015 £'000	2014 £'000
Within 1 year	**43**	43
Later than 1 year and not later than 5 years	**129**	172
Later than 5 years	–	–
	172	215

The amount of operating lease income recognised in the income statement is £nil (2014: £nil).

Other information

Participating banks and building societies

Participant	Dormant account monies received from participants 2015 £'000	Since inception £'000	Reclaims paid to participants 2015 £'000	Since inception £'000
Barclays Bank PLC	24,292	155,394	1,651	5,782
Commonwealth Bank of Australia – London branch	–	4	–	–
Clydesdale Bank PLC	22,239	22,239	–	–
The Co-operative Bank plc	1,419	11,066	214	601
Danske Bank	233	4,989	37	172
HSBC Bank plc	5,457	47,288	1,243	1,446
Lloyds Banking Group				–
Lloyds Bank plc	6,249	176,628	2,247	4,364
Bank of Scotland plc	19,152	97,415	2,994	4,405
Nationwide Building Society	4,878	51,317	144	406
Royal Bank of Scotland				–
Adam & Company plc	2	14	–	–
Coutts & Co	5	1,363	–	–
National Westminster Bank plc	21,316	83,073	163	863
The Royal Bank of Scotland plc	7,043	21,953	1	1
Ulster Bank Limited	1,527	6,054	105	105
Santander UK plc	12,299	150,126	3,193	13,992
TSB Bank plc	–	12,354	1,240	3,408
Virgin Money plc	5,199	14,277	462	1,312
	131,310	855,554	13,694	36,857

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