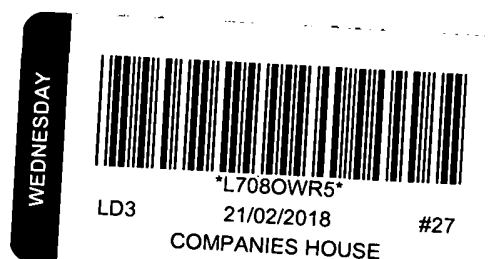


# CREST Depository Limited

Directors' Report and Financial  
Statements for the year ended  
31 December 2017



Registered Company Number: 3133256

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**DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017**

The directors submit their report and the audited financial statements of CREST Depository Limited ('the Company') for the year ended 31 December 2017. The Company is a private limited company and is domiciled and incorporated in England and Wales. The address of its registered office is 33 Cannon Street, London, EC4M 5SB.

**Principal activities and risks**

During the year under review, the Company issued CREST Depository Interests (CDI's) representing international securities held by its subsidiary companies, CREST International Nominees Limited and CIN (Belgium) Limited, on behalf of the customers of Euroclear UK & Ireland Limited, its immediate parent company, which operates the CREST settlement system. No change in activity is foreseen. The Company's risks are integral to the activities of, and are managed by, its parent company Euroclear UK & Ireland Limited.

**Results and dividend**

The Company made neither a profit nor a loss during the current financial year or the preceding financial year. There were also no other gains and losses for the current financial year or the preceding financial year. Accordingly, neither a statement of comprehensive income nor statement of changes in equity has been presented.

The directors do not propose to pay a dividend in respect of the year ended 31 December 2017 (2016: Nil).

**Creditor payment policy**

The Company's policy on the payment of suppliers is to settle the terms of payment once all contractual terms have been observed. The Company has recorded no transactions in the year under review.

**Going concern**

After making enquiries, the directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Company has adequate resources to continue to operate for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the financial statements.

**Directors**

The directors of the Company who were in office during the year and up to the date of signing the financial statements were:

John Trundle

Leanne Middleton

Paul Miles

Daksha Hirani was the Company Secretary until she resigned on 3 March 2017.

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**DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017 (continued)**

**Employees**

The Company has had no employees in the year under review (2016: Nil).

**Statement of Directors' Responsibilities**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Under company law the directors must not approve the financial statements 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements 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 financial statements comply with the Companies Act 2006 (the "Act"). They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Statement of disclosure of information to auditors**

In accordance with the provisions of Section 418 of the Act, directors' reports shall include a statement, in the case of each director in office at the date the directors' report is approved, that:

(a) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and

(b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017 (continued)**

**Independent Auditors**

PricewaterhouseCoopers LLP acted as the Company's auditors during the year.

PricewaterhouseCoopers LLP has held office in accordance with Section 487 of the Companies Act 2006 for the 2017 financial year. Following a rigorous tender process conducted by the Euroclear PLC Audit Committee, Deloitte LLP will assume the role as independent auditors for the Euroclear PLC Group, of which the Company is a member, for the year-end 31 December 2018. Formal appointment as auditors to the Company will be completed after the approval of these financial statements.

The directors have taken advantage of the small company exemptions as permitted by the Act.

On behalf of the Board



JOHN TRUNDLE

**Director**

19 February 2018

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CREST DEPOSITORY LIMITED**

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

**Opinion**

In our opinion, CREST Depository Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its result and cash flows for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Directors' Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position, the statement of comprehensive income, the statement of cash flows, the statement of changes in equity; and the notes to the financial statements, which include a description of the significant accounting policies.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Independence*

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CREST DEPOSITORY LIMITED (continued)**

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

*Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

**Responsibilities for the financial statements and the audit**

*Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of Directors' Responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CREST DEPOSITORY LIMITED (continued)**

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Responsibilities for the financial statements and the audit (continued)**

*Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

*Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**OTHER REQUIRED REPORTING**

**Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CREST DEPOSITORY LIMITED (continued)**

**OTHER REQUIRED REPORTING (CONTINUED)**

**Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Sheena Coutinho (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
19 February 2018

**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017**

There were no income or expense transactions during the year, therefore, a statement of comprehensive income is not presented.

**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017**

(£)	Note	2017	2016
<b>Assets</b>			
<b>Non-current assets</b>			
Investments	7	6	6
<b>Total non-current assets</b>		<b>6</b>	<b>6</b>
<b>Current assets</b>			
Cash and cash equivalents	8	7,000	7,000
<b>Total current assets</b>		<b>7,000</b>	<b>7,000</b>
<b>Total assets</b>		<b>7,006</b>	<b>7,006</b>
<b>Equity</b>			
<b>Capital and reserves attributable to equity holders of the Company</b>			
Called up share capital	10	7,000	7,000
<b>Total equity</b>		<b>7,000</b>	<b>7,000</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	9	6	6
<b>Total current liabilities</b>		<b>6</b>	<b>6</b>
<b>Total equity and liabilities</b>		<b>7,006</b>	<b>7,006</b>

There have been no cash movements for the year ended 31 December 2017, consequently no statement of cash flows has been presented.

The notes on pages 12 to 15 form part of the financial statements.

The financial statements on pages 8 to 15 were approved by the board of directors on 19 February 2018 and authorised for issue on that date.

Signed on behalf of the Board:



John Trundle

Director

19 February 2018

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017**

There were no changes in equity during the year, therefore, a statement of changes in equity is not presented.

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2017**

There were no cash transactions or movements in cash during the year, therefore, a statement of cash flows is not presented.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017**

**1. General Information**

The principal activity of CREST Depository Limited during the year was the issuing of CREST Depository Interests (CDI's) representing international securities held by its subsidiary companies, CREST International Nominees Limited and CIN (Belgium) Limited, on behalf of the customers of Euroclear UK & Ireland Limited, its immediate parent company, which operates the CREST settlement system.

CREST Depository Limited is a private limited company and is domiciled and incorporated in England and Wales. The address of its registered office is 33 Cannon Street, London, EC4M 5SB.

**2. Accounting policies**

*(a) Basis of preparation*

The financial statements of CREST Depository Limited have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union (EU), IFRS Interpretations Committee ("IFRIC IC") interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain financial instruments.

The Company is exempt by virtue of S400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not with regard to its group.

The preparation of financial statements in conformity with IFRS requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. The estimates and associated assumptions are based on historical experience.

In preparing the financial statements for the current year, consideration was given to new IFRS, both those that are effective at the year end and those that have been issued but are not effective at the year end, as well as amendments to IFRS and IFRIC IC interpretations. The following amendments to standards became effective on 1 January 2017:

- Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses
- Amendments to IAS 7: Disclosure Initiative
- Annual Improvements to IFRS Standards 2014-2016 Cycle

The adoption of these amendments had no impact on the entity's financial statements.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (continued)**

**2. Accounting policies (continued)**

*(a) Basis of preparation (continued)*

The following new standards will be applied for financial years commencing on 1 January 2018:

- IFRS 9 on Financial Instruments
- IFRS 15 Revenue from Contracts with Customers

The application of this new standard will have no significant impact on the entity's financial statements.

The following new standards will be applied for financial years commencing on 1 January 2019.

- IFRS 16 Leases.

After making enquiries, the directors have formed a judgement that there is a reasonable expectation that CREST Depository Limited has adequate resources to continue to operate for the foreseeable future. For this reason, the directors continue to adopt the 'going concern' basis in preparing the financial statements.

The principal accounting policies applied in the preparation of these financial statements are set out below. Unless otherwise stated, these policies have been consistently applied to all the years presented.

*(b) Related party transactions*

There were no transactions with related parties during the year ended 31 December 2017 (2016: Nil).

*(c) Investments in subsidiary undertakings*

In accordance with the requirements of IAS 27 'Consolidated and Separate Financial Statements', investments in subsidiaries are recognised and subsequently measured at cost.

*(d) Critical accounting estimates and judgements*

There were no critical accounting estimates and judgements applied in the preparation of these financial statements.

*(e) Cash and cash equivalents*

Cash and cash equivalents are carried in the balance sheet at fair value. For the purposes of the cash flow statement, cash and cash equivalents comprise balances including: cash on hand; deposits held on call with banks; and other short-term, highly liquid investments which are subject to insignificant risk of change in fair value.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (continued)**

**3. Statement of comprehensive income and statement of changes in equity**

The Company has made neither profit nor loss for the year or the previous year, and so no statement of comprehensive income or statement of changes in equity has been prepared.

Audit fees are borne by the immediate parent company, and controlling entity, Euroclear UK & Ireland Limited and are not recharged to the Company.

**4. Statement of cash flows**

There have been no cash movements for the year ended 31 December 2017 (2016: Nil), consequently no statement of cash flows has been presented.

**5. Directors' emoluments and key management compensation**

The Board considers key management personnel to include the directors of both the Company and the immediate parent company. The Company paid no emoluments to the directors or key management personnel in the year ended 31 December 2017 (2016: Nil).

The emoluments of the directors are paid by the parent company which makes no recharge to the Company. The directors are considered key management personnel of the parent company and are directors of a number of fellow subsidiaries. It is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries. Accordingly, details of emoluments in respect of the directors have not been provided. The total emoluments are included in the aggregate of key management personnel's emoluments disclosed in the financial statements of the parent company.

**6. Employees**

There were no employees employed by the Company during the year ended 31 December 2017 (2016: None).

**7. Investments**

(£)	Holding Equity Shares	Cost of investments	
		2017	2016
CREST International Nominees Limited	100%	2	2
CREST Client Tax Nominee (No. 1) Limited	100%	2	2
CIN (Belgium) Limited	100%	2	2
<b>Total investments in subsidiaries</b>		<b>6</b>	<b>6</b>

In the opinion of the directors the market value of the investments has not fallen below cost.



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017 (continued)**

**7. Investments (continued)**

The principal activities of CREST International Nominees Limited and CIN (Belgium) Limited are to act as nominee companies holding securities on behalf of the customers of Euroclear UK & Ireland Limited in relation to its provision of custodial services.

CREST Client Tax Nominee (No.1) Limited did not trade during the year.

Each of the subsidiary companies is 100% owned and is registered in England and Wales.

**8. Cash and cash equivalents**

(£)	2017	2016
Cash at bank and in hand	7,000	7,000

**9. Trade and other payables**

(£)	2017	2016
Amount due to subsidiary companies	6	6

**10. Called up share capital**

(£)	2017	2016
<b>Allotted and unpaid share capital:</b>		
7,000 (2016: 7,000) Ordinary shares of £1 each	7,000	7,000

**11. Ultimate parent and controlling entity**

The Company is a wholly owned subsidiary of Euroclear UK & Ireland Limited, which is incorporated in England and Wales and is both the immediate parent company and the controlling entity.

Euroclear plc is the ultimate parent entity, which is incorporated in England and Wales.

The largest group in which the results of Euroclear UK & Ireland Limited and its subsidiaries are consolidated is that of Euroclear plc. The smallest group in which the results of Euroclear UK & Ireland Limited and its subsidiaries are consolidated is that of Euroclear SA/NV.

The registered office of Euroclear plc is 33 Cannon Street, London EC4M 5SB. Copies of the Euroclear plc group financial statements and the Euroclear SA/NV financial statements can be obtained from this address.