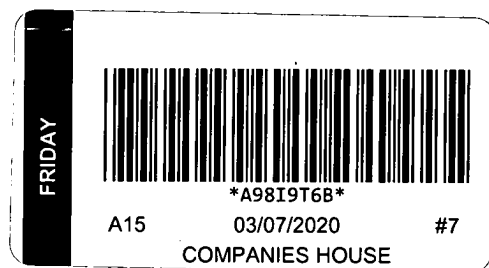


# DTCC ITP (UK) Limited

## Annual report and financial statements for the year ended 31 December 2019

Registered number: 04007732



**DTCC ITP (UK) LIMITED**  
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**DTCC ITP (UK) LIMITED  
COMPANY INFORMATION**

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**DIRECTORS:** Matthew Paul Stauffer  
Victoria Chen Yu Pei

**SECRETARY:** Martin David Richardson

**REGISTERED OFFICE:** Broadgate Quarter  
1 Snowden Street  
London, England  
EC2A 2DQ

**REGISTERED NUMBER:** 04007732 (England and Wales)

**AUDITOR:** Deloitte LLP  
Statutory Auditor  
London, United Kingdom

The Directors, in preparing the strategic report, have complied with s414C of the Companies Act 2006.

This strategic report has been prepared for DTCC ITP (UK) Limited ("DTCC ITP" or the "Company") as a whole and therefore gives greater emphasis to those matters that are significant to the Company when viewed as a whole.

#### **Review of the business**

DTCC ITP is a wholly-owned subsidiary of DTCC (UK) Limited, whose ultimate parent undertaking is the Depository Trust and Clearing Corporation ("DTCC"). DTCC ITP is a company organised under the laws of England and Wales and is registered as a service company with the Financial Conduct Authority (the "FCA").

The Company's principal activity is to provide global trade management services to the investment community. The strategy of the business remains unchanged from prior years and focuses on growth in selected markets and a focus in providing solutions across the businesses in which it chooses to operate.

In the year ended 31 December 2019, the Company generated total revenue from continuing operations of £30,672k (2018: £29,804k), an increase of 3% from the prior year and in line with forecasted projections based on expected market conditions. Product development continues and puts the Company in a good position to take advantage of opportunities as they arise.

The Company benefits from a strong balance sheet and maintains sufficient cash resources to ensure it can finance its ongoing operations at all times. The cash position remains in line with the Directors' expectation.

#### **Key performance indicators**

The Company Directors utilise key performance indicators to measure performance, development and position of the business. Some key performance indicators used include percentage change in year on year revenues, which increased in 2019 by 3% (2018: increase of 5%), and operating profit margin of 49% (2018: 53%). Both these key performance indicators are in line with business expectations.

#### **Principal risks and uncertainties**

The Company has defined its capital as called up share capital, capital contribution and profit and loss account. On that basis, the total capital of the Company as at 31 December 2019 and 2018 was £23,593k and £19,054k, respectively. The Company was initially capitalised with £100 of called up share capital.

The Company's activities expose it to a variety of risks: regulatory risk, counterparty credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

#### ***Regulatory Risk***

Regulatory risk is the risk that a change in laws and regulations will materially impact a security, business, sector or market. A change in laws or regulations made by the government or a regulatory body can increase the costs of operating a business, reduce the attractiveness of investment and/or change the competitive landscape.

The Company's mandate is to fully comply with both the letter and the spirit of all laws, rules, and regulations to which it is subject, in all jurisdictions in which it operates. The Company strives to maintain a pro-active and open dialogue with its regulators to ensure on-going communication regarding key laws, rules and regulations as well as to ensure that its framework is sufficiently strong to mitigate and prevent the risk of non-compliance.

#### ***Counterparty credit risk***

Counterparty credit risk arises from cash and cash equivalents, trade accounts receivables, and intercompany receivables from affiliate subsidiaries of DTCC.

The Company maintains cash and cash equivalents with various financial institutions. The Company's policy is designed to limit exposure with any one financial institution. As part of its credit and risk management processes, the Company performs periodic evaluations of the relative credit standing of the financial institutions with whom it places funds.

The Company generally makes deposits with financial institutions having a credit rating of at least BBB+/Baa1 or better from recognised rating agencies and that are approved via its internal credit review process. The Company also monitors the condition of the financial institutions with whom it places funds on an ongoing basis to identify any significant change in a financial institution's condition. If such a change takes place, the amounts deposited in such financial institutions may be adjusted.

Trade receivables are continually reviewed to ensure payment is received and reserved for based on the Company's allowance policies, if required. Given the creditworthiness of DTCC ITP's clients, trade receivables are not deemed to be a significant risk. All clients undergo a thorough onboarding process before being accepted as clients.

The Company does not hold any financial assets which have been deemed impaired. There were no financial assets that would otherwise be past due or impaired whose terms have been renegotiated.

#### ***Liquidity risk***

Liquidity risk is the risk that the Company is unable to meet its payment obligations when they fall due. The liquidity risk is managed by DTCC ITP's ability to obtain funding, if needed, from its ultimate parent to meet short-term imbalances between available cash and payment obligations. DTCC ITP benefits from a strong balance sheet and maintains sufficient cash balances to ensure it can finance its ongoing operations at all times.

#### ***Sensitivity analysis***

The changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or value of its holdings of financial instruments. The objective of the Company's risk management is to both control and manage exposure within the Company's risk appetite whilst accepting the inherent risk of market fluctuations.

#### ***Future developments***

The Directors expect the general level of activity to remain consistent with 2019 in the forthcoming year.

#### ***The United Kingdom's (UK) planned departure from the European Union (EU) ("Brexit")***

As a result of the European Union (Withdrawal Agreement) Act 2020 gaining royal assent on the 23 January 2020 and the ratification of the agreement by the European Council on 29 January 2020, the UK has left the EU on 31 January 2020 and entered into a transition period that will last until 23:00 GMT on 31 December 2020. During transition, the UK will be required to adhere to existing EU legislation / regulation as well as implement any new EU27 legislation / regulation that goes live during transition.

The Company continues to believe there will not be a material impact on the operations or financial results as the business is not directly subject to European regulation or cross border tariffs.

#### ***Novel strain of Coronavirus (COVID-19)***

The recent outbreak of the novel coronavirus ("COVID-19") in many countries continues to adversely impact global commercial activity and has contributed to significant volatility in financial markets. The World Health Organization has declared COVID-19 a "Public Health Emergency of International Concern." The global impact of the outbreak has been rapidly evolving, and as cases of the virus have continued to be identified in additional countries, many countries have reacted by instituting quarantines and restrictions on travel. Such actions are creating disruption in global supply chains, and adversely impacting a number of industries, such as transportation, hospitality and entertainment. The outbreak could have a continued adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate adverse impact of the novel coronavirus. Factors described herein that may affect market, economic and geopolitical conditions, and thereby adversely affect the Company's business include, without limitation, economic slowdown in the U.K. and internationally, changes in interest rates and/or a lack of availability of credit in the U.K. and internationally, changes in law and/or regulation, and uncertainty regarding government and regulatory policy. The novel coronavirus presents uncertainty and risk with respect to the Company's business performance into the first half of 2020 and going forward, however given the nature to which the Company derives its revenue, there has been little negative impact on performance up until the date of these financial statements. The Company is closely monitoring the spread of COVID-19 and the potential effects on its operations and business.

### ***Section 172(1) Statement***

The Directors are aware of their duty to act in the way each Director considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- a) the likely consequences of any decision in the long term;
- b) the interests of the Company's employees (where applicable);
- c) the need to foster the Company's business relationships with suppliers, customers and others;
- d) the impact of the Company's operations on the community and the environment;
- e) the desirability of the Company maintaining a reputation for high standards of business conduct; and
- f) the need to act fairly between members of the Company.

### **Key Stakeholders**

The Company considers clients, regulators, its sole shareholder and the community in which it serves as key stakeholders. The Company does not have any employees. The Company's most significant supplier is the ultimate parent and other members of the ultimate parent's group of companies.

### **Stakeholder Engagement**

As part of our stakeholder engagement, the Directors are committed to effective engagement with all stakeholders. Depending on the nature of the issue in question, the relevance of each stakeholder group may differ and, as such, as part of its engagement with stakeholders, the Directors seek to understand the relative interests and priorities of each stakeholder and to have regard to these, as appropriate, in its decision-making. As Directors of a company that is a member of the DTCC group of companies (the Group), the Directors have significant resources available to them in order to fulfill their duties under Section 172(1).

### **Decision-Making**

The Directors are also senior management of the Group and are engaged with the strategic direction of not only the Group but also the Company's role in that strategy. The Directors have the ability to influence Group capital decisions such as capital infusions and dividends that impact the Company's ability to carry out its business. In making decisions, the Directors engage with stakeholders and consider relevant information from across the Group and the Company to help it understand the impact of its operations and the interests and views of our key stakeholders. It also reviews financial and operational performance, as well as information covering areas such as key risks and legal and regulatory compliance as appropriate. Key decisions the Directors make include pricing considerations, new product initiatives, and governance requirements. The Directors abide by and apply the Group's code of conduct in its decision-making responsibilities. The Group is viewed as a high-reputable, trusted partner of clients, regulators, employees, and communities. The Directors believe the Group's code of conduct and tone at the top provide the Company with the proper culture to maintain a reputation for high standards of business conduct.

### **Shareholder**

Delivering for our sole shareholder ensures the business continues to be successful in the long term and can therefore continue to deliver for all our stakeholders. In 2019, the Board approved the Company's annual report and financial statements for the year-ended 31 December 2018, reviewed, approved and recommended for approval by the sole shareholder, as appropriate, the Company's dividends declared and paid in 2019 and was also involved with strategic initiatives and trading performance at the Group and Company level.

### **Business Relationships**

Clients are central to the business. The Directors, as Group senior management, are actively engaged in client outreach and meet with clients regularly to determine the needs of the clients and the performance of the Company. The Directors conduct regular product road shows in the key European jurisdictions supported by a full program of client outreach meetings led by the Group's Relationship Management team. The Directors ensure the Company's clients are included in the Group's client surveys regarding on the client's service experience. The Directors understand the competitive landscape of the Company and the wider Group and influence projects that address the Company's clients concerns, expectations and activity, as needed. In 2018, the Group commenced a significant, long-term initiative to improve the client experience based on client feedback, including those of the Company. The Directors ensured the Company's clients will benefit from a series of client experience improvements including onboarding, help desk support, and billing.

**Regulator**

Through the Group's Product and Regulatory Relations teams, the Directors also actively manage the regulatory relationships and are proactive in relevant industry consultations. Without its regulatory licences, the Company would not be able to perform regulated activities for its clients, which in turn would affect its returns to its shareholder. The Directors utilize the Group resources to ensure the Company complies with all relevant laws and regulations having implemented a robust framework to mitigate the risk of non-compliance, whilst also engaging in proactive and transparent dialogue with its regulator. The Directors engages with the Group's Compliance function on regulatory matters as necessary and monitors current events including any potential impact of Brexit on the business as well as the regulatory landscape.

**Building Communities**

Supporting communities in which we operate is a core value of the Group and is reflected in the Group's strategic sponsorship and partnerships, its thought leadership activities and its corporate social responsibility efforts around the globe.

**Going concern**

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company continues to play a vital role as the regional distributor of the DTCC ITP's global product. As such the ultimate parent company will provide all necessary support to enable the Company to continue its operations. With the recent outbreak of the novel coronavirus ("COVID-19") and its potential impact on the global markets, the Directors have assessed the impact to the Company's business model and concluded the going concern basis is still appropriate. Thus, they continue to adopt the going concern basis in preparing the annual financial statements. Further details regarding the adoption of the going concern basis can be found in Note 2 to the financial statements.

**Approved on behalf of the Board:**



Matthew Paul Stauffer, Director  
Date: 29 June 2020

### **General information**

The Directors present their report and audited financial statements (which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and the Notes to the Financial Statements) for DTCC ITP as at and for the year ended 31 December 2019.

DTCC ITP is a wholly-owned subsidiary of DTCC (UK) Limited, whose ultimate parent undertaking is DTCC.

### **Results and dividends**

The profit for the year after taxation amounted to £12,539k (2018: £12,703k). An interim dividend of £8,000k was paid in 2019 (2018: £12,000k).

### **Principal activities**

DTCC ITP is a company organised under the laws of England and Wales and is authorised to provide regulated products and services with the Financial Conduct Authority (the "FCA"). The Company's principal activity is to provide global trade management services to the investment community. The strategy of the business remains unchanged from prior years and focuses on growth in selected markets and a focus in providing solutions across the businesses in which it chooses to operate.

Future developments and principal risks and uncertainties are disclosed in the Strategic report.

### **Post balance sheet events**

Post balance events are disclosed in Note 15.

### **Directors**

The Directors who served at any time during the financial year and to the date of approval of this report:

Valerie Jane Harahush (resigned 28 February 2020)  
Andrew William Dare Douglas (resigned 28 February 2020)  
Matthew Paul Stauffer (appointed 28 February 2020)  
Victoria Chen Yu Pei (appointed 28 February 2020)

### **Directors' indemnities**

DTCC, of which DTCC ITP is a member, has made indemnity provisions for the benefit of the Directors of DTCC ITP against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. These provisions were in force at the date of this report.

### **Staff**

It is the policy of both DTCC ITP and DTCC to ensure that no staff members or job applicants face discrimination on the grounds of ethnic origin, race, religion, gender, sexual orientation, age or disability.

### **Statement as to disclosure of information to auditor**

Each of the persons who are Directors of the Company at the date when this report is approved confirms that:

- so far as each of the Directors is aware, there is no relevant audit information (being information needed by the Company's auditor in connection with preparing their report) of which the Company's auditor is unaware; and
- each of the Directors has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.



**Independent auditor**

Deloitte LLP has expressed their willingness to continue in office as auditor of the Company and, under Sections 485 to 488 of the Companies Act 2006, will be deemed to be re-appointed.

**Approved on behalf of the Board:**



Matthew Paul Stauffer, Director  
Date: 29 June 2020

**Statement of Directors' Responsibilities**

The Directors are responsible for preparing the Annual 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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. 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.

**Report on the audit of the financial statements**

**Opinion**

In our opinion the financial statements of DTCC ITP (UK) Limited (the "Company"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework" and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity and
- the related notes 1 to 15.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the "FRC's") Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We are required by ISAs (UK) to report in respect of the following matters where:

- the Directors' use of the going concern basis of accounting in 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.

We have nothing to report in respect of these matters.

**Other information**

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in respect of these matters.

**Responsibilities of Directors**

As explained more fully in the statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**DTCC ITP (UK) LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DTCC ITP (UK) LIMITED**  
**For the year ended 31 December 2019**

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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.

**Auditor's 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 auditor's 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 auditor's report.

**Report on other legal and regulatory requirements**

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the Directors' report.

**Matters on which we are required to report by exception**

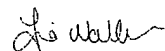
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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 financial statements 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.

We have nothing to report in respect of these matters.

**Use of our report**

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.



Fiona Walker (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom  
29 June 2020

**DTCC ITP (UK) LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
For the year ended 31 December 2019

	Notes	2019 £000s	2018 £000s
Revenue	4	30,672	29,804
Administrative expenses		<u>(15,710)</u>	<u>(14,117)</u>
<b>Profit before taxation</b>		14,962	15,687
Tax charge	7	<u>(2,423)</u>	<u>(2,984)</u>
<b>Profit for the financial year attributable to owners of the Company</b>	5	12,539	12,703
Other comprehensive result for the year net of tax		<u>—</u>	<u>—</u>
<b>Total comprehensive income for the year attributable to the owners of the Company</b>		<u><u>12,539</u></u>	<u><u>12,703</u></u>

Revenue and operating profit are all derived from continuing operations.

The accompanying notes on pages 14 to 24 are an integral part of these financial statements.

**DTCC ITP (UK) LIMITED**  
**BALANCE SHEET**  
**As at 31 December 2019**

	Notes	2019 £000s	2018 £000s
<b>Non-current assets</b>			
Intangible assets	8	4,903	4,903
Deferred tax asset	7	71	7
<b>Total non-current assets</b>		<u>4,974</u>	<u>4,910</u>
<b>Current assets</b>			
Trade and other receivables	9	5,723	11,537
Taxes receivable		1,917	1,331
Cash at bank and in hand		17,409	11,763
<b>Total current assets</b>		<u>25,049</u>	<u>24,631</u>
<b>Total assets</b>		<u><b>30,023</b></u>	<u><b>29,541</b></u>
<b>Non-current liabilities</b>			
Other non-current liabilities		(1,741)	(1,741)
<b>Total non-current liabilities</b>		<u>(1,741)</u>	<u>(1,741)</u>
<b>Current liabilities</b>			
Trade and other payables	10	(4,689)	(8,746)
<b>Total current liabilities</b>		<u>(4,689)</u>	<u>(8,746)</u>
<b>Net current assets</b>		<u>20,360</u>	<u>15,885</u>
<b>Total assets less current liabilities</b>		<u>25,334</u>	<u>20,795</u>
<b>Net assets</b>		<u><b>23,593</b></u>	<u><b>19,054</b></u>
<b>Equity</b>			
Called up share capital	11	—	—
Capital contribution		3,083	3,083
Profit and loss account		20,510	15,971
<b>Equity attributable to owners of the Company</b>		<u><b>23,593</b></u>	<u><b>19,054</b></u>

The accompanying notes on pages 14 to 24 are an integral part of these financial statements.

The financial statements of DTCC ITP (UK) Limited (registered number 04007732) were approved by the Board of Directors and authorised for issue on 29 June 2020. They were signed on its behalf by:



Matthew Paul Stauffer  
 Director

**DTCC ITP (UK) LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
For the year ended 31 December 2019

	Called up share capital £000s	Capital contribution £000s	Profit and loss account £000s	Total equity £000s
<b>Balance at 1 January 2018</b>	—	3,083	15,268	18,351
Profit and comprehensive income for the year	—	—	12,703	12,703
Dividend (Note 12)	—	—	(12,000)	(12,000)
<b>Balance at 31 December 2018</b>	—	3,083	15,971	19,054
Profit and comprehensive income for the year	—	—	12,539	12,539
Dividend (Note 12)	—	—	(8,000)	(8,000)
<b>Balance at 31 December 2019</b>	—	3,083	20,510	23,593

The accompanying notes on pages 14 to 24 are an integral part of these financial statements.

## **1. GENERAL INFORMATION**

DTCC ITP (UK) Limited (the "Company") is a company incorporated in the United Kingdom ("UK") under the Companies Act 2006. The Company is a private company limited by shares and is registered in England and Wales. The address of the registered office is given on page one. DTCC ITP is a wholly-owned subsidiary of DTCC (UK) Limited, whose ultimate parent undertaking is the Depository Trust and Clearing Corporation ("DTCC"). DTCC ITP is registered as a service company with the Financial Conduct Authority (the "FCA").

The nature of the Company's operations and its principal activities are set out in the Directors' report on pages 6 and 7.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

These financial statements are separate financial statements. The Company does not have any subsidiaries and is itself included in the group accounts of DTCC. The group accounts of DTCC are available to the public and can be obtained as set out in Note 14.

## **2. SIGNIFICANT ACCOUNTING POLICIES**

### **Basis of accounting**

The Company meets the definition of a qualifying entity under Financial Reporting Standard ("FRS") 100, Application of Financial Reporting Requirements, issued by the Financial Reporting Council ("FRC"). Accordingly, these financial statements were prepared in accordance with FRS 101, Reduced Disclosure Framework.

As permitted by FRS 101, the Company took advantage of the disclosure exemptions available under that standard in relation to business combinations, share-based payment, non-current assets held for sale, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, impairment of assets, related party transactions and certain revenue requirements of IFRS 15.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services. There were no items accounted for by revaluing of financial instruments that are measured at revalued amounts or fair values at the end of each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.



2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of new and revised Standards

<i>International Accounting Standards Board Standard Issued, Recently Adopted</i>		
IFRS 16 Leases Issued January 2016	<ul style="list-style-type: none"> <li>Requires a lessee to recognise right-of-use assets and lease liabilities on the Statement of Financial Position, initially measured at the present value of the future lease payments. The amortization of the right-of-use asset and interest expense on the lease liability are presented separately in the Statement of Comprehensive Income.</li> <li>Specifies that the date of transaction is the date on which the entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.</li> <li>Requires an entity to determine the date of transaction for each payment or receipt of advance consideration if there are multiple payments or receipts in advance.</li> </ul>	<ul style="list-style-type: none"> <li>Adopted January 1, 2019.</li> <li>The adoption of the standard did not have a material impact on the Financial Statements.</li> </ul>
Annual Improvements to IFRS Standards 2015-2017 Cycle Amendments to IAS 12 Income Taxes and IAS 23 Borrowing Costs Issued December 2017	<p>The <i>Annual Improvements</i> include amendments to four Standards:</p> <p>IAS 12 <i>Income Taxes</i> The amendments clarify that the Company should recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the Company originally recognised the transactions that generated the distributable profits. This is the case irrespective of whether different tax rates apply to distributed and undistributed profits.</p> <p>IAS 23 <i>Borrowing Costs</i> The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.</p>	<ul style="list-style-type: none"> <li>Adopted January 1, 2019.</li> <li>The adoption of the standard did not have a material impact on the Financial Statements.</li> </ul>
IFRIC 23 <i>Uncertainty over Income Tax Treatments</i> Issued June 2017	<p>The Company has adopted IFRIC 23 for the first time in the current year. IFRIC 23 sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The Interpretation requires the Company to:</p> <ul style="list-style-type: none"> <li>determine whether uncertain tax positions are assessed separately or as a group; and</li> <li>assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings:</li> <li>If yes, the Company should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings.</li> <li>If no, the Company should reflect the effect of uncertainty in determining its accounting tax position using either the most likely amount or the expected value method</li> </ul>	<ul style="list-style-type: none"> <li>Adopted January 1, 2019.</li> <li>The adoption of the standard did not have a material impact on the Financial Statements.</li> </ul>

## **2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **Going concern**

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the Strategic report on pages 2 to 5. The Directors have formed a judgement, based upon their knowledge of the Company's business that its resources of cash and cash equivalents will be sufficient to cover its expenses for the foreseeable future. With the recent outbreak of the novel coronavirus ("COVID-19") and its potential impact on the global markets, the Directors have assessed the impact to the Company's business model and concluded the going concern basis is still appropriate. Taking all of these factors into consideration, the Directors believe it is reasonable to assume that the Company will have access to adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

The principal accounting policies adopted are set out below.

### **Revenue**

On January 1, 2018, the Company adopted IFRS 15, Revenue from Contracts with Customers, under the full retrospective method of adoption. The adoption of the standard did not have a material impact to the recognition and timing of its revenues.

The Company recognises revenue to depict the transfer of promised services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those services. To achieve that principle, the Company applies the following steps: identify the contract(s) with the customer, identify the performance obligations in the contract(s), determine the transaction price, allocate the transaction price to the performance obligations in the contract and recognise revenue when (or as) the entity satisfies a performance obligation.

The Company recognises revenue from contracts with customers as performance obligations are satisfied when promised services are transferred to the customer. The majority of the promised services and related performance obligations are recognised at the point in time when the control of the promised service is transferred to the customer.

The amount of revenue recognised reflects the consideration the Company expects to be entitled to for transferring the promised services to the customer. For certain contracts with customers, the consideration in which the Company expects to be entitled to in exchange for transferring promised service to a customer consists of variable consideration. The variable consideration primarily relates to volume based discounts or rebates for certain services, however, the volume targets or thresholds typically reset on a monthly basis therefore, the variable consideration does not have an impact on the revenue recognition.

The Company derives its revenue from usage and transaction fees, and one-time installation charges. Revenue from transaction fees is recognised at a point in time on the transaction date, as the customer obtains the control and benefit of the service at that point. One-time installation charges occur upon completion of the integration of new product. The Company typically bills its customers up to 30 days in arrears.

### **Foreign currencies**

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

### **Operating profit**

Operating profit is stated before interest income and finance costs.

## **2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

*Current tax* - The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

*Deferred tax* - The Company records a deferred income tax (benefit) provision when there are differences between assets and liabilities measured for financial reporting and for income tax return purposes. These temporary differences result in taxable or deductible amounts in future years and are measured using the tax rates and laws that will be in effect when such differences are expected to reverse. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

#### *Current tax and deferred tax for the year*

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

### **Intangible assets**

#### *Goodwill*

Goodwill represents the excess of the cost of the investment in acquired businesses over values attributed to underlying net assets. Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Company law requires goodwill to be written off over a finite period. Non-amortisation of goodwill, in accordance with International Financial Reporting Standards, is a departure from the requirements of company law for the overriding purpose of giving a true and fair view. If this departure from company law had not been made, the profit for the financial year would have been reduced by amortisation of goodwill.

#### *Impairment of tangible and intangible assets*

At each balance sheet date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount (the higher of value in use and the fair value less costs of disposal) of the asset is estimated to determine the extent of the impairment loss (if any).

## **2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### ***Impairment of tangible and intangible assets (continued)***

Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

### **Financial assets**

All financial assets are recognised and de-recognised on a trade date basis and are initially measured at fair value plus transaction costs. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. Classification depends on the nature and purpose of financial assets and is determined at the time of initial recognition. Financial assets of the Company are classified as Cash and cash equivalents, and Trade and other receivables.

Cash and cash equivalents. All highly liquid investments purchased with an original maturity of three months or less at the date of acquisition are classified as Cash and cash equivalents. Cash and cash equivalents consist primarily of deposits held in banks. Cash and cash equivalents are assessed to have low credit risk at each reporting date as they are held with reputable international banking institutions.

Trade and other receivables. Trade and other receivables are stated at cost, net of an expected credit loss allowance.

**Impairment of financial assets.** Financial assets are assessed for indicators of impairment at each balance sheet date. The Company accounts for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets.

Trade receivables are typically outstanding for a relatively short period of time and do not contain a significant financing component. The loss provision for such trade receivables is measured at an amount equal to lifetime expected credit losses. The Company uses a provision matrix to determine the expected credit losses for the portfolio. The provision matrix is based on its historical observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. The historical observed default rates are updated and changes in the forward-looking estimates are analysed at each reporting date.

## **2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **Financial assets (continued)**

#### **Write-off policy**

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

**Derecognition of financial assets.** The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

**Financial liabilities.** Amounts due to related parties and other payables are initially measured at fair value, net of transaction costs. Financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction cost and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. The application of the effective interest method has the effect of recognising interest income on the instrument in proportion to the amount outstanding such that the yield earned is constant over the period to maturity.

**Derecognition of financial liabilities.** The Company derecognises financial liabilities when the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

## **3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Company's accounting policies, which are described in Note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

### **Critical judgements in applying the Company's accounting policies**

The following are the critical judgements that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

#### ***Expected credit loss allowance***

The Company establishes a provision for an expected credit loss allowance to ensure the Company has not overstated receivable balances due to uncollectibility. The allowance is calculated based on monitoring the current and projected credit quality of the Company's customers, local business customs, historical experience, payment history, financial stability, trends and other factors that affect collectability. See Note 9 for additional information.

**3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)**

**Key sources of estimation uncertainty**

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

**Impairment of Goodwill**

The company tests annually whether goodwill has suffered any impairment. These tests require the use of estimates and judgements. The recoverable amount of this unit has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management. The growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry.

The key assumptions used are an annual compound growth rate of 1-2% applied to the forecast earnings for 5 years and 0% growth after and a pre tax discount rate of 10.91%.

The carrying amount of goodwill at 31 December 2019 was £4,903k (2018: £4,903k). The Company completed its annual goodwill testing in the fourth quarter of 2019 and 2018 and concluded that goodwill was not impaired in 2019 or 2018.

**4. REVENUE**

An analysis of the Company's revenue generated by geographical market is set out below.

	<b>Year Ended 2019 £000s</b>	<b>Year Ended 2018 £000s</b>
<b>Revenue:</b>		
UK	17,592	17,706
Non UK	13,080	12,098
	<u>30,672</u>	<u>29,804</u>

**5. PROFIT FOR THE FINANCIAL YEAR**

Profit for the year has been arrived at after charging / (crediting):

	<b>Year Ended 2019 £000s</b>	<b>Year Ended 2018 £000s</b>
Net foreign exchange loss / (gain)	89	(712)
Depreciation of tangible fixed assets	-	8
	<u>89</u>	<u>(704)</u>

There were no employees (2018: none) during the year and the aggregate payroll costs were £nil (2018: £nil).

**6. AUDITOR'S REMUNERATION**

Fees payable to Deloitte LLP and their associates for the audit of the Company's annual financial statements were £80k (2018: £77k).

During the year, there were no fees payable to Deloitte LLP and their associates for non-audit services to the Company.

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**7. TAX CHARGE**

	<b>Year Ended 2019 £000s</b>	<b>Year Ended 2018 £000s</b>
Corporation tax:		
Current year	2,820	2,703
Adjustments in respect of prior years	(333)	—
	<u>2,487</u>	<u>2,703</u>
Deferred tax:		
Current year	25	277
Adjustments in respect of prior years	(97)	4
Rate adjustment	8	-
	<u>(64)</u>	<u>281</u>
<b>Tax charge</b>	<u><u>2,423</u></u>	<u><u>2,984</u></u>

Corporation tax is calculated at 19.00% (2018: 19.00%) of the estimated taxable profit for the year.

The charge for the year can be reconciled to the profit in the profit and loss account as follows:

	<b>Year Ended 2019 £000s</b>	<b>Year Ended 2018 £000s</b>
Profit before taxation	<u>14,962</u>	<u>15,687</u>
Tax at the UK corporation tax rate of 19.00% (2018: 19.00%)	2,843	2,980
Adjustments in respect of prior years	(430)	4
Withholding tax	2	—
Rate adjustment	8	—
<b>Tax charge for the year</b>	<u><u>2,423</u></u>	<u><u>2,984</u></u>

**Deferred tax**

The following are the major deferred tax assets recognised by the Company and movements thereon during the current and prior reporting period.

	<b>2019 £000s</b>	<b>2018 £000s</b>
As at 1 January	7	288
Deferred tax credit from prior year in the profit and loss account	88	—
Deferred tax (charge) on capital allowances	(14)	(16)
Deferred tax (charge) on allowances for expected credit losses	(10)	(47)
Deferred tax (charge) on s75 pension contributions	—	(218)
<b>As at 31 December</b>	<u><u>71</u></u>	<u><u>7</u></u>
In respect of:		
Capital allowances	66	54
Expected credit losses	5	(47)
	<u><u>71</u></u>	<u><u>7</u></u>

Deferred tax is calculated using rates of UK corporation tax expected to be in effect at the time assets are realised as follows: Between 1 April 2017 and 31 March 2020 19% and after 1 April 2020 17%.

**8. INTANGIBLE ASSETS**

<b>Goodwill</b>	
<b>Cost</b>	<b>£000s</b>
1 January 2019 and at 31 December 2019	<u>19,778</u>
<b>Impairment</b>	
At 1 January 2019	14,875
Charged during the year	<u>—</u>
At 31 December 2019	<u>14,875</u>
<b>Net book value</b>	
At 31 December 2019	<u>4,903</u>
At 31 December 2018	<u>4,903</u>

Goodwill was created at the inception of the Company and was generated as a result of the difference between the consideration paid and the value of the assets purchased.

**9. TRADE AND OTHER RECEIVABLES**

	<b>2019</b>	<b>2018</b>
	<b>£000s</b>	<b>£000s</b>
Amounts falling due within one year:		
Trade debtors	3,213	5,084
Amounts owed by group undertakings	-	4,062
Prepayments and accrued income	2,510	2,391
	<u>5,723</u>	<u>11,537</u>

As of 31 December 2019 and 2018, the expected credit loss allowance was £27k and £247k, respectively. There were write-offs for doubtful accounts for the years ended 31 December 2019 of £108k (2018: £20k).

No interest is charged on outstanding trade receivables from third parties. Expected credit loss allowances are estimated using a provision matrix by reference to historical observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. The Company has recognised an expected credit loss allowance of 5% against all receivables past due over 61 to 180 days and 10% against all receivables past due over 180 days based on specific review of the Company's customers.

**10. TRADE AND OTHER PAYABLES**

	<b>2019</b>	<b>2018</b>
	<b>£000s</b>	<b>£000s</b>
Amounts falling due within one year		
Amounts owed to group undertakings	4,453	8,661
Other creditors	236	85
	<u>4,689</u>	<u>8,746</u>

The amounts owed to group undertakings are payable in cash on demand and there are no related guarantees.



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**11. CALLED UP SHARE CAPITAL**

	2019 £s	2018 £s
Issued and fully paid:		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

There have been no changes in share capital during the year. The Company has one class of ordinary shares that carry no right to fixed income. The Company has 1,000 authorised ordinary shares of £1 each.

**12. DIVIDEND**

	Year Ended 2019 £000s	Year Ended 2018 £000s
Amounts recognised as distributions to equity holders in the period:		
Dividend on 31 July 2019 (£80,000 per share)	8,000	-
Dividend on 24 September 2018 (£120,000 per share)	<u>-</u>	<u>12,000</u>

**13. RELATED PARTY TRANSACTIONS**

The Directors' remuneration analysed under the headings required by Company law is set out below.

	Year Ended 2019 £000s	Year Ended 2018 £000s
<b>Directors' remuneration</b>		
Emoluments	81	75
Amounts receivable under long-term incentive schemes	6	12
	<u>87</u>	<u>87</u>

No Directors were remunerated by the Company. For the purpose of this disclosure only, the key Directors who are employed within the DTCC group have been allocated a percentage of their total costs to the Company based on their estimated services provided to the Company. The Directors disclosed in this note are the only key management personnel of the Company.

**14. ULTIMATE CONTROLLING PARTY**

The Company's ultimate parent and controlling entity is DTCC, which is incorporated in the United States of America, and heads the largest and smallest group of companies of which the Company is a member. DTCC prepares consolidated financial statements in accordance with US GAAP. Copies of its financial statements can be obtained from [www.dtcc.com](http://www.dtcc.com). The registered address of DTCC (UK) Limited is 1 Snowden Street, Broadgate Quarter, London, EC2A 2DQ. The registered address of DTCC is 55 Water Street, New York, NY, 10041, United States.

**15. EVENTS AFTER THE BALANCE SHEET DATE**

The recent outbreak of the novel coronavirus ("COVID-19") in many countries continues to adversely impact global commercial activity and has contributed to significant volatility in financial markets. The World Health Organization has declared COVID-19 a "Public Health Emergency of International Concern." The global impact of the outbreak has been rapidly evolving, and as cases of the virus have continued to be identified in additional countries, many countries have reacted by instituting quarantines and restrictions on travel. Such actions are creating disruption in

**15. EVENTS AFTER THE BALANCE SHEET DATE (CONTINUED)**

global supply chains, and adversely impacting a number of industries, such as transportation, hospitality and entertainment. The outbreak could have a continued adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate adverse impact of the novel coronavirus. Factors described herein that may affect market, economic and geopolitical conditions, and thereby adversely affect the Company's business include, without limitation, economic slowdown in the U.K. and internationally, changes in interest rates and/or a lack of availability of credit in the U.K. and internationally, changes in law and/or regulation, and uncertainty regarding government and regulatory policy. The novel coronavirus presents uncertainty and risk with respect to the Company's business performance into the first half of 2020 and going forward, however given the nature to which the Company derives its revenue, there has been little negative impact on performance up until the date of these financial statements. The Company is closely monitoring the spread of COVID-19 and the potential effects on its operations and business.

There were no other significant events after the balance sheet date that would require recognition or disclosure in the financial statements.