

REGISTERED NO. 03010097

DST REALTY (UK) LIMITED

REPORT AND FINANCIAL STATEMENTS

For the year ended 31st December 2007

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DST REALTY (UK) LIMITED

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DST REALTY (UK) LIMITED

REPORT OF THE DIRECTORS

For the year ended 31st December 2007

The directors submit their report and the audited financial statements of the company for the year ended 31st December 2007

PRINCIPAL ACTIVITY

The company's principal activity is that of real estate operations. The company owns properties that are leased to DST International Limited, the immediate parent company, DST International Billing Limited and external clients

RESULTS

The profit for the year after tax of £45,000 (2006 £50,000) will be transferred to retained reserves

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act relating to small companies, the company has taken advantage of the exemption from providing a full business review

POST BALANCE SHEET EVENT

On 3rd July 2008, the company purchased an industrial building occupied by DST International Output Limited, another group company, and an external tenant for total consideration and costs of £10,296,000

DIRECTORS

The directors who served during the year and up to the date of signing these financial statements were

T Abraham (Appointed 27th March 2007)

S Cooke

J M Winn (Resigned 27th March 2007)

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). The financial statements are required by law to 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary

The directors confirm that they have complied with the above requirements in preparing the financial statements

The directors are responsible for keeping proper accounting records that 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 1985. 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.

DST REALTY (UK) LIMITED

REPORT OF THE DIRECTORS (Cont'd)

For the year ended 31st December 2007

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who is a director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- each director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985

INDEPENDENT AUDITORS

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting

By Order of the Board



S Cooke
Company Secretary

13 October 2008

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

DST REALTY (UK) LIMITED

We have audited the financial statements of DST Realty (UK) Limited for the year ended 31st December 2007 which comprise the Profit and Loss Account, Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

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

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

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31st December 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
West London

15 October 2008

DST REALTY (UK) LIMITED**PROFIT AND LOSS ACCOUNT****For the year ended 31st December 2007**

	Note	2007 £000	2006 £000
Turnover and gross profit	2	1,052	1,049
Administrative expenses		<u>(418)</u>	<u>(366)</u>
Operating profit	3	634	683
Interest receivable and similar income	6	165	122
Interest payable and similar charges	7	<u>(603)</u>	<u>(603)</u>
Profit on ordinary activities before taxation		196	202
Tax charge on profit on ordinary activities	8	<u>(151)</u>	<u>(152)</u>
Retained profit for the financial year	15, 16	<u>45</u>	<u>50</u>

All amounts relate to continuing operations

There is no material difference between the profit on ordinary activities before taxation and the retained profit for the financial year stated above and their historical costs equivalent

The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented

DST REALTY (UK) LIMITED**BALANCE SHEET****As at 31st December 2007**

	Note	2007 £000	2006 £000
Fixed Assets.			
Tangible fixed assets	9	12,615	12,945
Current Assets			
Debtors	10	2,730	2,108
Creditors			
Amounts falling due within one year	11	(991)	(744)
Net current assets		1,739	1,364
Total assets less current liabilities		14,354	14,309
Creditors			
Amounts falling due after more than one year	12	(10,481)	(10,481)
Net Assets		<u>3,873</u>	<u>3,828</u>
Capital and Reserves			
Called up share capital	14	4	4
Share premium account	15	3,496	3,496
Profit and loss account	15	373	328
Total Equity Shareholders' Funds	16	<u>3,873</u>	<u>3,828</u>

The financial statements on pages 4 to 10 were approved by the board of directors on 13 October 2008 and were signed on its behalf by



S Cooke
Director

DST REALTY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2007

1 ACCOUNTING POLICIES

(a) Accounting Convention

These financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. The principal accounting policies that have been consistently applied throughout the year are set out below.

(b) Tangible fixed assets and depreciation

Fixed assets are stated at the historic cost of acquisition less accumulated depreciation. Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets over their expected useful economic life.

Depreciation is generally calculated on a straight line basis on the original cost of the assets over the following periods:

Freehold Property	30 years
Equipment & Furniture	5-10 years
Freehold Land is not depreciated	

(c) Turnover

Rental income, in respect of operating leases, is recognised as turnover in the profit and loss account on a straight line basis over the period to which it relates. Rental income received for future periods is deferred to the period to which it relates.

(d) Deferred Tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it is more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

(e) Cashflow Statement and Related Parties

The company is a wholly owned subsidiary of DST Group LLP and is included in the consolidated financial statements of DST Group LLP, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (Revised 1996). The company has taken advantage of the exemption under paragraph 3(c) from the provisions of FRS 8, 'Related Party Disclosures', which requires the disclosure of the details of material transactions between the reporting entity and any related parties, on the grounds that it is a wholly owned subsidiary of groups headed by DST Group LLP and DST Systems Inc.

DST REALTY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For the year ended 31st December 2007

2 TURNOVER

All turnover derives from a single class of business within the United Kingdom. The company has lease its real estate to group companies and external clients under operating leases. The net book value of assets held for use as operating leases was £12,614,000 (2006: £12,943,000). The aggregate amount of rentals received under operating leases was £1,052,000 (2006: £1,049,000).

3 OPERATING PROFIT

Operating profit is stated after charging

	2007 £000	2006 £000
Auditors' remuneration - audit services	7	7
Depreciation - owned tangible fixed assets	330	330

4 DIRECTORS EMOLUMENTS

None of the directors received any emoluments for their services as directors of the company during the year (2006: None). The directors were remunerated by other group companies and no recharges were made. It is not possible to apportion the proportion of the directors' work that was done for the company.

5 STAFF NUMBERS AND COSTS

There were no employees of the company during the year (2006: Nil).

6 INTEREST RECEIVABLE AND SIMILAR INCOME

	2007 £000	2006 £000
Interest receivable from immediate parent company	165	122

7 INTEREST PAYABLE AND SIMILAR CHARGES

	2007 £000	2006 £000
Interest payable to immediate parent company	603	603

DST REALTY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For the year ended 31st December 2007

8 TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES

	2007 £000	2006 £000
(a) Analysis of the charge in the year		
Current Tax		
UK Corporation tax on profit of the year at 30% (2006 30%)	159	156
Total Current Tax Charge	159	156
Deferred Tax		
Origination and reversal of timing differences	(8)	(4)
Total Deferred Tax Credit (Note 13)	(8)	(4)
Total Tax Charge on Profit on Ordinary Activities	151	152

(b) Factors affecting tax charge for the year

The tax assessed for the year is higher (2006 higher) than the standard rate of corporation tax in the UK (30%). The differences are explained below

Profit on ordinary activities before tax	196	202
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2006 30%)	59	61
<i>Effects of</i>		
Expenses not deductible for tax purposes	92	91
Depreciation in excess of capital allowances	8	4
Current Tax Charge for the Year	159	156

9 TANGIBLE FIXED ASSETS

	Equipment & Furniture £000	Freehold Land & & Property £000	Total £000
Cost			
At 1st January and 31st December 2007	3	14,253	14,256
Accumulated Depreciation			
At 1st January 2007	1	1,310	1,311
Charge in year	1	329	330
At 31st December 2007	2	1,639	1,641
Net Book Value			
At 31st December 2007	1	12,614	12,615
At 31st December 2006	2	12,943	12,945

DST REALTY (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (Cont'd)****For the year ended 31st December 2007****10 DEBTORS**

	2007	2006
	£000	£000
Trade debtors	45	50
Amounts owed by group undertakings	2,627	2,049
Other debtors	46	5
Deferred taxation (note 13)	12	4
	<u>2,730</u>	<u>2,108</u>

Intercompany debtors are unsecured, interest bearing at the US Prime rate and repayable on demand

11 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007	2006
	£000	£000
Trade creditors	4	5
Amounts owed to group undertakings	665	295
Corporation Tax	269	425
Other taxation and social security	7	-
Accruals and deferred income	46	19
	<u>991</u>	<u>744</u>

Intercompany creditors are unsecured, interest free and repayable on demand

12 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2007	2006
	£000	£000
Amounts owed to immediate parent undertaking	<u>10,481</u>	<u>10,481</u>

The amount shown above represents monies due to DST International Limited. Interest is payable at the rate per annum equal to 1% above the bank base rate. The loan is repayable in full on the expiry of 15 years from the date of the formal loan agreement which was in December 2004.

13 DEFERRED TAXATION ASSET

	2007	2006
	£000	£000
Deferred tax assets recognized are as follows		
Accelerated capital allowances	<u>12</u>	<u>4</u>
Deferred tax asset	<u>12</u>	<u>4</u>
At 1st January	4	-
Credit to profit and loss account	<u>8</u>	<u>4</u>
Asset at 31st December	<u>12</u>	<u>4</u>

The directors consider that it is more likely than not that there will be sufficient taxable profits in the future to realise the deferred tax asset, therefore the asset has been recognised in these financial statements.

DST REALTY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For the year ended 31st December 2007

14 CALLED UP SHARE CAPITAL	2007 £	2006 £
(A) AUTHORISED		
1,000,000 ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
(B) ALLOTTED, CALLED UP AND FULLY PAID		
3,502 ordinary shares of £1 each	<u>3,502</u>	<u>3,502</u>
15 OTHER RESERVES	Share Premium Account £000	Profit and Loss Account £000
At 1st January 2007	3,496	328
Retained profit for the financial year	-	45
At 31st December 2007	<u>3,496</u>	<u>373</u>
16 RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS	2007 £000	2006 £000
Opening equity shareholders' funds	3,828	3,778
Retained profit for the financial year	<u>45</u>	<u>50</u>
Closing equity shareholders' funds	<u>3,873</u>	<u>3,828</u>

17 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking is DST International Limited, a company incorporated in England and Wales

The ultimate parent undertaking and controlling party is DST Systems Inc , a company incorporated in the USA

DST Systems Inc is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2007. The consolidated financial statements of DST Systems Inc are available from 333 W 11th Street, Kansas City, Missouri, 64105-1594, USA

DST Group LLP is the parent undertaking of the smallest group of undertakings to consolidate these financial statements. The consolidated financial statements of DST Group LLP can be obtained from DST House, St Mark's Hill, Surbiton, Surrey, KT6 4QD, UK