

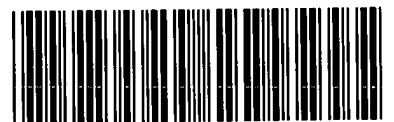
State Street Global Markets International Limited

Registered No. 03418476

Annual Report and Financial Statements

31 December 2022

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COMPANIES HOUSE

State Street Global Markets International Limited

Registered No. 03418476

Directors

D Arnum (Chairman) (Non-executive)
K Lowe (Chief Executive)
S Timby

Auditor

Ernst & Young LLP
25 Churchill Place
London
E14 5EY

Registered Office

20 Churchill Place
Canary Wharf
London
E14 5HJ

State Street Global Markets International Limited

Registered No. 03418476

Strategic Report

The Directors present their Strategic Report for State Street Global Markets International Limited (the 'Company' or 'SSGMIL') for the year ended 31 December 2022.

The purpose of the Strategic Report is to inform members of the Company and help them assess how the Directors have performed their duty under Section 172 of the Companies Act 2006 (duty to promote the success of the Company).

Review of the business

The Company's key financial performance indicators during the year were as follows:

	2022	2021	Change
	£	£	%
Turnover	10,944,437	11,564,826	-5%
Profit before taxation	2,597,995	2,360,250	10%
Shareholder's funds	27,524,042	25,266,331	9%

The Turnover of the Company decreased by 5% during the year. Transfer pricing income received on GlobalLink expenses decreased by £495,117. This was due to the decrease in staff costs recharge from State Street Bank and Trust Company London branch. Fee revenue decreased by £125,272 due to the reduction in average trading volume for its MTF (Multi-Lateral Trading Facility) platform and continued pressure from fee compression. The Company's Fund Connect platform has seen an inflow of assets and also benefited from the reduction in fee waivers due to the increase in interest rates.

Profit on ordinary activities before taxation increased by 10% to £2,597,995 (2021: £2,360,250) mainly driven by the decrease in administrative expenses. Shareholder's funds increased by 9% to £27,524,042 (2021: £25,266,331). No dividends were proposed or paid (2021: £Nil).

During the year the Company closed down its Currenex MTF business for strategic reasons. The Company will continue to operate as the UK entity for FX Connect MTF, Currenex and Fund connect and will maintain growth through product expansion and attracting new clients.

Capital management

The Company's policy is to maintain a strong capital base to maintain investor, creditor and market confidence. The Company has enough capital to meet its regulatory requirement. There have been no changes to the Company's management of capital during the period.

Principal risks and uncertainties

The Company's activities expose it to a number of risks; market risk, credit risk, interest rate risk, liquidity risk, operational risk, regulatory risk, reputational risk and political risk. The Directors review and approve policies for managing each of these risks. A summary of Management's assessment of these risks can be found below. Please note that the Company's policies are modified from time to time where appropriate.

Market risk

Market risk could arise with regards to foreign currencies, but the Company does not have any transactions in currencies other than GBP. Transfer pricing revenue is recorded and settled in GBP.

Credit risk

Credit risks arise from non-trading book asset exposures in the balance sheet. The largest exposure is cash held with banking counterparties. Credit risk is managed within a conservative framework as set out in the State Street Corporation's ('SSC') Credit Risk Policy. State Street Corporation manages its counterparty credit risk centrally to optimise the use of credit availability and to avoid excessive risk concentration. Counterparties are reviewed prior to acceptance to ensure they meet the necessary standard. The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating this risk.

State Street Global Markets International Limited

Registered No. 03418476

Strategic Report (continued)

Interest rate risk

There is a minimal exposure of interest rate risk due to cash balances being placed on deposit, but these are placed in zero interest-rate bank accounts. Interest rate risk is managed in accordance with SSC's guidelines.

Liquidity risk

As part of the management of liquidity risk arising from financial liabilities, the Company's policy is to consistently maintain sufficient cash reserves to meet liquidity requirements.

Operational risk

The following operational risks arise from breakdowns in the key operational processes, human failure or from external events and systems.

Operational Execution Risk is the risk of errors or omissions arising from inadequate or failed internal processes with the potential for financial or reputational harm. The Company addresses Operational Execution Risk by identifying, collecting and analysing operational risk data; utilising the data to quantify its operational risk exposure and by implementing a comprehensive operational risk management and governance structure.

Technology and Resiliency Risk is defined as the inability to achieve strategic, financial, and operational objectives due to issues arising from the use, ownership, operation, involvement, influence and adoption of information technology. The risk is managed by establishing information technology policies, controls and operating procedures as well as implementing governance, monitoring and assurance functions.

Business Conduct and Compliance Risk is defined as the failure to meet the regulatory and contractual obligations, fiduciary and other legal duties, policies and standards, corporate culture and standards of ethical business conduct that is expected by its clients, shareholders, regulators and other stakeholders. The Company seeks to minimise business risks arising from adverse changes in the competitive or regulatory environment, as well as changes in the economics of its business activities and also seeks to minimise the failure or poor execution of strategic decisions that could lead to fiduciary and legal risks.

Regulatory risk

The Company is authorised and regulated by the Financial Conduct Authority ('FCA'). The risk of breaching regulatory requirements is mitigated by regular communications with the FCA, active monitoring and adherence to regulatory policies as implemented by State Street Group compliance and risk functions.

Reputational risk

Our name, reputation and the trust placed in us by existing and potential clients are key factors in our ability to retain existing business and win new business. Always acting in the best interests of our clients is central to everything that we do. To deliver on this, we ensure we have appropriate systems, controls and risk practices in place to manage our business in an efficient manner to the benefit of our clients.

On behalf of the Board

Sarah Timby, Director

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Date: 2023.04.19 16:59:54
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State Street Global Markets International Limited

Registered No. 03418476

Directors' Report

The Directors present their report and the audited financial statements for State Street Global Markets International Limited (the 'Company') for the year ended 31 December 2022. In accordance with Section 414C(11) of the Companies Act 2006, the Directors have set out the "Review of the Business" and "Principal Risks and Uncertainties" within the Company's Strategic report.

Principal activities

The Company offers electronic trading platform services through the GlobalLink business for Currenex, Fund Connect and MiFID II compliant Multi-Lateral trading facilities FX Connect MTF. The Company's Currenex MTF business was closed down in June 2022. The Company is the contracting party with the clients for the products offered and services are provided by other members of the State Street Group.

Results and dividends

The Company made a profit after taxation of £2,257,711 (2021: £1,917,371). No dividend was paid in the year (2021: £Nil), and the Directors do not recommend the payment of a final dividend in respect of the year ended 31 December 2022.

Directors and their interests

The Directors during the year and as at the date of signing this report were as follows:

D Arnum (Chairman) (Non-executive)
K Lowe (Chief Executive, appointed 16 March 2023)
S Timby
M Bond (resigned 20 February 2023)

None of the Directors held any disclosable interest in the shares of the Company during the year; however, the Directors may hold interests in the shares of the ultimate parent company, State Street Corporation.

Pillar 3 disclosures requirements

In accordance with the rules of the FCA, State Street Global Markets International Limited has published information on its risk management objectives and policies on its regulatory capital requirements and resources. This information is available on the State Street website at: www.statestreet.com. These disclosures have not been audited.

Future developments

The Company will continue to expand its services through its technology platforms. FX Connect MTF will maintain expansion of its product functionality and deliver on phase 2 of its new web interface and phase 2 of its client reporting suite. Fund Connect will look to continue its expansion in Asia-Pacific, drive product development and white labelling and Fund Connect technology.

Events after Balance Sheet date

There have been no events since the balance sheet date which necessitate disclosure or revision of the figures included in the financial statements.

State Street Global Markets International Limited

Registered No. 03418476

Directors' Report (continued)**Going Concern**

The Company's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives, and its exposures to market, credit, liquidity, operational, regulatory and reputational risk are described in the Principal Risks and Uncertainties section of the Strategic Report. The Company has adequate financial resources and as a consequence, the Directors believe that the Company is well placed to manage its business risks successfully in the future.

The Directors continue to monitor the impact that the rise in inflation rate and Russian-Ukraine conflict has on the Company and the economies in which the Company operates. Management has considered the impact of the current situation on the company's operations, liquidity and regulatory capital position. The results were considered to be within the bounds of the firm's capital adequacy analysis that models a number of adverse scenarios as well as a reverse stress test to assess the stresses the balance sheet has to endure before there might be a breach of the relevant regulatory capital requirement and includes an assessment of any relevant mitigations management have within their control to implement.

Having performed this analysis management believes regulatory capital requirements continue to be met and have sufficient liquidity to meet its liabilities and continue as a going concern for the period to 31 December 2024, being a period of over twelve months from when the financial statements are authorised to issue. Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Directors' indemnification

There is power under the Articles of Association for the Company to indemnify each person who is a director, or secretary of the Company out of the assets of the Company against all costs, charges, losses and liabilities incurred by the director, or secretary, of the Company in the proper execution of their duties or the proper exercise of their powers, authorities and discretions.

The Company's ultimate parent, State Street Corporation, maintains external insurance in respect of claims brought by third parties against the Company's Directors and this insurance remains in force at the date of approving the Directors' Report.

Disclosure of information to the auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the auditor is unaware. Having made enquiries of fellow Directors and the Company's auditor, each Director has taken all the steps that they are obliged to take as a Director to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Re-appointment of auditor

In accordance with sections 485 and 487 of the Companies Act 2006, Ernst & Young LLP are re-appointed as the auditor of the Company.

On behalf of the Board

Sarah Timby, Director

Sarah TimbyDigitally signed by Sarah
Timby

Date: 2023.04.19 17:00:46

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State Street Global Markets International Limited

Registered No. 03418476

Directors' Responsibilities Statement

The Directors are responsible for preparing the Strategic Report, 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard 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 financial position of the Company and of the profit and 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;
- state whether applicable United Kingdom Accounting Standards including FRS 101 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 proper 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 to 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.

State Street Global Markets International Limited

Registered No. 03418476

Independent auditor's report to the members of State Street Global Markets International Limited

Opinion

We have audited the financial statements of State Street Global Markets International Limited (the 'Company') for the year ended 31 December 2022, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 12, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 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

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the period to 31 December 2024, being a period of over twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. 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.

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the Annual Report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

State Street Global Markets International Limited

Registered No. 03418476

Independent auditor's report (continued) to the members of State Street Global Markets International Limited

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 Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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 material misstatements in the Strategic Report or Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 6, 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.

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.

State Street Global Markets International Limited

Registered No. 03418476

Independent auditor's report (continued)

to the members of State Street Global Markets International Limited

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

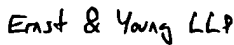
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are FRS 101, the Companies Act 2006 and the regulations and supervisory requirements of the Financial Conduct Authority (FCA).
- We understood how State Street Global Markets International Limited is complying with those frameworks by making inquiries of management, internal audit and those responsible for legal and compliance matters. We also reviewed correspondence between the Company and regulatory bodies, reviewed minutes of the Board of Directors and the UK Risk and Compliance Committees and gained an understanding of the Company's governance framework.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements and considering the controls established to address risks identified to prevent or detect fraud.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved making inquiries of legal counsel, executive management, and internal audit, reviewing of the reporting to the Directors with respect to the application of the documented policies and procedures and review of the financial statements to ensure compliance with the reporting requirements of the Company.
- The Company is regulated under the supervision of the Financial Conduct Authority. As such, the Senior Statutory Auditor reviewed the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.

DocuSigned by:

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Jason Seymour - Cousens (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

19 April 2023

State Street Global Markets International Limited

Registered No. 03418476

Statement of Comprehensive Income**For the year ended 31 December 2022**

	Notes	2022 £	2021 £
Turnover	2	10,944,437	11,564,826
Gross profit		<u>10,944,437</u>	<u>11,564,826</u>
Administrative expenses		(8,435,234)	(9,204,576)
Operating profit	3	<u>2,509,203</u>	<u>2,360,250</u>
Interest income		2	-
Foreign exchange gains		88,790	
Profit on ordinary activities before taxation		<u>2,597,995</u>	<u>2,360,250</u>
Tax on profit on ordinary activities	4	(340,284)	(442,879)
Profit on ordinary activities after taxation		<u>2,257,711</u>	<u>1,917,371</u>

The Company has no recognised gains or losses in the current or preceding financial year other than those shown above. The Company does not have any other comprehensive income/(loss). The net profit for the year disclosed above represents the Company's total comprehensive income.

All amounts for 2022 are in respect of continuing activities.

The accompanying notes are an integral part of the financial statements.

State Street Global Markets International Limited

Registered No. 03418476

Balance Sheet

As at 31 December 2022

	Notes	2022 £	2021 £
Non current assets			
Deferred tax asset	4	<u>130,677</u>	<u>41,053</u>
Current assets			
Debtors	6	900,131	870,164
Cash at bank	7	26,948,020	25,002,258
Current tax receivable		<u>719,269</u>	<u>653,721</u>
		<u>28,567,420</u>	<u>26,526,143</u>
Total assets		<u><u>28,698,097</u></u>	<u><u>26,567,196</u></u>
Current liabilities			
Creditors	8	<u>1,174,055</u>	<u>1,300,865</u>
		<u>1,174,055</u>	<u>1,300,865</u>
Net assets		<u><u>27,524,042</u></u>	<u><u>25,266,331</u></u>
Capital and reserves			
Called up share capital	9	101,001	101,001
Share premium		499,000	499,000
Capital contribution		11,900,000	11,900,000
Profit and loss account		<u>15,024,041</u>	<u>12,766,330</u>
Shareholder's funds		<u><u>27,524,042</u></u>	<u><u>25,266,331</u></u>

The financial statements were approved by the Board of Directors and signed on behalf of the Board by

Sarah Timby, Director

Sarah Timby Digitally signed by Sarah Timby
 Date: 2023.04.19 17:01:56
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The accompanying notes are an integral part of the financial statements.

State Street Global Markets International Limited

Registered No. 03418476

Statement of Changes in Equity

As at 31 December 2022

	<i>Called-up share capital (Note 9)</i>	<i>Share premium</i>	<i>Capital contribution</i>	<i>Profit and loss account</i>	<i>Shareholder's funds</i>
Balance at 1 January 2021	101,001	499,000	11,900,000	10,848,959	23,348,960
Profit for the financial year	-	-	-	1,917,371	1,917,371
Balance at 31 December 2021	101,001	499,000	11,900,000	12,766,330	25,266,331
Profit for the financial year	-	-	-	2,257,711	2,257,711
Balance at 31 December 2022	101,001	499,000	11,900,000	15,024,041	27,524,042

State Street Global Markets International Limited

Registered No. 03418476

Notes to financial statements

At 31 December 2022

1. Accounting policies

1.1 Basis of preparation

The financial statements of State Street Global Markets International Limited were approved for issue by the Board of Directors on 13 April 2023.

State Street Global Markets International Limited is a company, limited by shares, incorporated and domiciled in England and Wales.

These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101"). The amendments to FRS 101 (2021/22 Cycle) issued in May 2022 and effective immediately have been applied in these financial statements.

The Company's ultimate parent undertaking, State Street Corporation ("SSC"), includes the Company in its consolidated financial statements. The consolidated financial statements of State Street Corporation are prepared in accordance with US Generally Accepted Accounting Principles ("US GAAP") and are available to the public. These can be obtained from State Street, Financial Centre, 1 Lincoln Street, Boston, Commonwealth of Massachusetts, United States of America.

The Company's financial statements are presented in British Pound Sterling ("GBP") which is its functional and presentational currency. The USD:GBP exchange rate used by the Company as of the balance sheet date was 1.2027 (31 December 2021: 1.3545).

The principal accounting policies adopted by the Company are set out in note 1.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Disclosures in respect of capital management;
- Disclosures in respect of transactions with wholly owned subsidiaries of a parent company;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of the ultimate parent undertaking include the equivalent disclosure, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosure:

- Requirements of paragraphs 45(b) and 46-52 of IFRS 2 'Share based Payment', because the share based payment arrangement concerns the instruments of another Group entity.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the Directors, in the application of these accounting policies, that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 1.17.

State Street Global Markets International Limited

Registered No. 03418476

Notes to financial statements

At 31 December 2022

1. Accounting policies (continued)

1.2 Measurement convention

The financial statements are prepared on the historical cost basis.

1.3 Going concern

As stated in the Directors' Report, the annual report and financial statements are prepared on the going concern basis. In assessing whether the going concern basis is appropriate, the Directors have considered the below:

The Company's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives, and its exposures to market, credit, liquidity, operational, regulatory and reputational risk are described in the Principal Risks and Uncertainties section of the Strategic Report. The Company has adequate financial resources and as a consequence, the Directors believe that the Company is well placed to manage its business risks successfully in the future.

The Directors continue to monitor the impact that the rise in inflation rate and Russian-Ukraine conflict has on the Company and the economies in which the Company operates. Management has considered the impact of the current situation on the company's operations, liquidity and regulatory capital position. The results were considered to be within the bounds of the firm's capital adequacy analysis that models a number of adverse scenarios as well as a reverse stress test to assess the stresses the balance sheet has to endure before there might be a breach of the relevant regulatory capital requirement and includes an assessment of any relevant mitigations management have within their control to implement.

Having performed this analysis management believes regulatory capital requirements continue to be met and have sufficient liquidity to meet its liabilities and continue as a going concern for the period to 31 December 2024, being a period over twelve months from when the financial statements are authorised for issue. Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

1.4 Revenue recognition

The amount of revenue that the Company recognises is measured based on the consideration specified in contracts with its customers, and excludes taxes collected from customers subsequently remitted to government authorities. The Company recognises revenue when a performance obligation is satisfied over time as the services are performed or at a point in time depending on the nature of the services provided as further discussed below.

Fee revenue includes transfer pricing income received from providing access and use of electronic trading platforms. Electronic FX services are dependent on the volume of actual transactions initiated through GlobalLink's electronic exchange platforms. Revenue is recognised over time using a time-based measure as access to, and use of, the electronic exchange platforms is made available to the customer and the activity is determinable.

1.5 Interest income

Interest income is recognised in the Statement of Comprehensive Income as the income accrues, using the effective interest method.

1.6 Operating expenses

Operating expenses are recognised on an accrual basis. Foreign currency gains and losses are reported on a net basis.

1.7 Defined benefit plans

Historically, the Company's employees participated in a Group wide defined benefit pension plan operated by State Street Bank and Trust Company for United Kingdom employees. As there is no contractual agreement or stated group policy for charging the net defined benefit cost of the plan to participating entities, the net defined benefit cost of the pension plan and the net defined benefit liability are recognised fully by Street Bank and Trust Company which is legally responsible for the plan. The Company then recognises a cost equal to its contribution payable for the period.

State Street Global Markets International Limited

Registered No. 03418476

Notes to financial statements

At 31 December 2022

1. Accounting policies (continued)

1.7 Defined benefit plans (continued)

The contributions payable by the participating entities are determined pro-rata with their allocation of normal service costs at the point immediately prior to the closure of the Scheme to future accrual, adjusted for certain specific arrangements where the Group has been restructured.

1.8 Equity-settled share-based payments

From time to time, employees are awarded deferred stock under the ultimate parent company's (State Street Corporation) Equity-Based Compensation Plan. Deferred stock awards issued under the plan vest over zero to five-year periods. The Company does not have an obligation to settle SSC's awards with its employees and as such measures this benefit as equity settled share-based payment transactions.

The cost of equity-settled share-based awards to employees is measured by reference to the fair value at the date at which they are granted and is recognised as an expense on a straight-line basis over the period in which employees perform services to which the awards relate, or over the period of the tranches for those awards delivered in tranches. For awards delivered in tranches, each tranche is considered a separate award and the related expense is amortised separately.

Fair value is determined by reference to the market price at grant date, adjusted to take account of the fact that awards are not eligible for dividends during the vesting period. Estimates of expected forfeitures are periodically adjusted in the event of actual forfeitures or for changes in expectations.

At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions and its impact on the number of equity instruments that will ultimately vest or, in the case of an instrument subject to a market condition, be treated as vesting as described above. The movement in cumulative expense since the previous balance sheet date is recognised in the Statement of Comprehensive Income.

The expense amount is deducted from the equity of the parent and settled through the transactions with group undertakings by the Company. Where the terms of an equity-settled award are modified or a new award is designated as replacing a cancelled or settled award, the cost based on the original award terms continues to be recognised over the original vesting period. In addition, an expense is recognised over the remainder of the new vesting period for the incremental fair value of any modification, based on the difference between the fair value of the original award and the fair value of the modified award, both as measured on the date of the modification. No reduction is recognised if this difference is negative.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any cost not yet recognised in the Statement of Comprehensive Income for the award is expensed immediately. Any compensation paid up to the fair value of the award at the cancellation or settlement date is deducted from equity of the parent, settled through transactions with group undertakings, with any excess over fair value being treated as an expense in the Statement of Comprehensive Income.

1.9 Current taxation

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

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the income statement because it excludes items of income and 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. Tax relating to items charged or credited directly to equity is also dealt with in equity. Current tax receivables are due to be settled through State Street bank and Trust Company London branch as part of the group tax arrangement.

1.10 Group relief

Tax credits are recognised in respect of taxable losses, where sufficient taxable profits are available for offset within other group undertakings in the same tax group.

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1. Accounting policies (continued)

1.11 Deferred taxation

Deferred tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, except that deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date.

1.12 Financial assets and liabilities

Measurement methods

Initial recognition and measurement

Financial assets and liabilities are recognised when the entity becomes party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade date, the date on which the Company commits to purchase or sell the asset.

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in the profit or loss.

Financial assets – derecognition

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive cash flows from the assets have expired, or when they have been transferred and either (i) the Company transfers substantially all the risks and rewards of ownership, or (ii) the Company neither transfers nor retains substantially all the risks and rewards of ownership and the Company has not retained control.

Financial liabilities – classification and measurement

Financial liabilities, other than loan commitments and financial guarantees, are measured at amortised cost. Financial liabilities are derecognised when they are extinguished.

1.13 Cash at bank

Cash and cash equivalents comprise cash balances and call deposits.

1.14 Debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. Full provision will be provided for any receivables that are uncollectible for more than 180 days.

1.15 Creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

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1. Accounting policies (continued)**1.16 Foreign currencies**

Assets, liabilities, revenues and costs denominated in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities at the balance sheet date are translated at year-end rates of exchange. Exchange differences arising are reported as part of the profit and loss for the year. Non-monetary assets are translated at historical rates.

1.17 Significant accounting estimates and judgments*Key sources of estimation uncertainty*

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements have had the most significant effect on amounts recognised:

Recognition of deferred tax assets

Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in note 4.

Pension

Management judgement is required to determine certain actuarial assumptions that support the defined benefit pension obligation calculation. The key assumptions and a sensitivity analysis in respect of those assumptions is provided in note 10.

2. Turnover*GlobalLink revenue:*

The Company receives revenue share under the intercompany agreements with Currenex Inc, FX Connect LLC and State Street Bank and Trust Company for its GlobalLink business Currenex, Currenex MTF, FX Connect MTF and Fund Connect. GlobalLink revenue also includes revenue generated from the SSI Search business which was transferred to the Company in 2017. The Company also receives cost plus transfer pricing income for the expenses incurred in providing the platform related services.

	2022 £	2021 £
GlobalLink revenue	2,228,430	2,353,702
Transfer pricing income (costs plus)	8,716,007	9,211,124
	<u>10,944,437</u>	<u>11,564,826</u>

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At 31 December 2022

3. Operating profit

	2022	2021
	£'000	£'000
<i>The Operating profit is stated after charging:</i>		
Auditors' remuneration		
-audit of the financial statements	54,167	54,167
-audit-related assurance services	16,647	16,647
-other non-audit services	-	1,728
Professional fees	81,617	101,576
Provision for bad debts	23,390	68,763

4. Tax

(a) Analysis of charge in period

	2022	2021
	£	£
<i>Current tax:</i>		
UK corporation tax on profits of the period	471,610	438,183
Adjustments in respect of previous periods	(41,702)	(6,262)
Total current tax	<u>429,908</u>	<u>431,921</u>
<i>Deferred tax:</i>		
Origination and reversal of temporary differences	(96,468)	9,457
Impact of tax rate reduction	6,859	(9,853)
Adjustments in respect of previous periods	(15)	11,354
Total deferred tax	<u>(89,624)</u>	<u>10,958</u>
Total tax on profit on ordinary activities	<u>340,284</u>	<u>442,879</u>

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Notes to financial statements**At 31 December 2022****4. Tax (continued)****(b) Factors affecting tax charge for period**

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the United Kingdom 19% (2021: 19%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	<u>2,597,995</u>	<u>2,360,250</u>
Profit on ordinary activities multiplied by the rate of corporation tax in the United Kingdom of 19% (2021 - 19%)	493,619	448,448
<i>Effect of:</i>		
Expenses not deductible for tax purposes	(287)	(808)
Adjustments in respect of prior years	(41,717)	5,092
Impact of tax rate change adjustment	6,859	(9,853)
Recognition of deferred tax on previously unrecognised temporary differences	(118,190)	-
Total tax on profit on ordinary activities	<u>340,284</u>	<u>442,879</u>

(c) Deferred tax

	2022 £ <i>Recognised</i>	2021 £ <i>Recognised</i>
Deferred tax asset at start of year	41,053	52,011
Deferred tax charge in Statement of Comprehensive Income for the year	89,624	(10,958)
Deferred tax asset at end of year	<u>130,677</u>	<u>41,053</u>
The balance at the year end comprises:		
Temporary differences in relation to fixed assets	6,102	7,499
Temporary differences in relation to shares based payments	-	4,845
Temporary differences in relation to losses	97,276	-
Other temporary differences	<u>27,299</u>	<u>28,709</u>
	<u>130,677</u>	<u>41,053</u>

The main rate of corporation tax for the current financial year is 19%. During 2021, legislation to increase main rate of UK corporation tax from 19% to 25% from 1 April 2023 was enacted. This rate has been applied in the measurement of Company's deferred tax assets at 31 December 2022. The Company has recognised deferred tax assets to the extent that they are recoverable through expected future taxable profits.

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Notes to financial statements

At 31 December 2022

5. Staff costs

Staff costs including Directors' emoluments were:

	2022 £	2021 £
Wages and salaries	40,000	40,000
Social security costs	8,109	10,701
	<u>48,109</u>	<u>50,701</u>

The Company did not have any employees during the year (2021: Nil). The wages and salaries include remuneration paid to the non-executive Directors during the year.

Directors' emoluments

Certain Directors were employed and remunerated as directors or executives of State Street Corporation and its subsidiaries (the 'Group') in respect of their services to the Group as a whole and their remuneration has been paid by other Group entities. It is estimated that the remuneration for their services to the Company in the current year totalled £16,000 (2021: £24,000). The amount in respect of highest paid Director was £40,000 (2021: £40,000).

6. Debtors

	2022 £	2021 £
<u>Amounts falling due within one year:</u>		
Trade debtors	40,826	52,363
Amounts due from related companies	850,125	792,425
Prepayments and other debtors	9,180	25,377
	<u>900,131</u>	<u>870,165</u>

Amounts due from related companies are interest free, unsecured and repayable on demand.

As at 31 December 2022, trade debtors of an initial value of £211,431 (2021: £181,481) were impaired and fully provided for. The trade debtors' amount shown above is net of such provision.

7. Cash at bank

	2022 £	2021 £
Cash at bank	<u>26,948,020</u>	<u>25,002,258</u>

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At 31 December 2022

8. Creditors

	2022 £	2021 £
<u>Amounts falling due within one year:</u>		
Deferred revenue	57,935	67,762
Amount due to related companies	1,018,230	1,177,065
Accruals and other creditors	97,890	56,038
	<u>1,174,055</u>	<u>1,300,865</u>

All creditors are unsecured and repayable on demand.

9. Called up share capital

	Ordinary shares	
	2022	2021
On issue at 1 January	101,001	101,001
On issue at 31 December – fully paid	<u>101,000</u>	<u>101,000</u>
	Allotted, called up and fully paid	Allotted, called up and fully paid
	2022	2021
	£	£
Ordinary shares of £1 each	<u>101,000</u>	<u>101,000</u>

The holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at meetings of the Company.

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10. Staff pension schemes

Historically, some of the Group's employees participated in a non-contributory pension scheme operated by State Street Bank and Trust Company ('SSBTC') for United Kingdom employees – the State Street UK Pension & Life Assurance Scheme ('the Scheme'). The Scheme has both defined benefit and defined contribution sections. Both the defined benefit section and the defined contribution section of the Scheme are closed to future accrual of benefits, the defined benefit section since 30 April 2008, the defined contribution section in part from 30 April 2008 and completely from 30 April 2010. The Company's employees now participate in a defined contribution non-contributory Group Personal Pension Scheme ('GPP') also operated by SSBTC.

As there is no contractual agreement or stated group policy for charging the net defined benefit cost of the plan to participating entities, the net defined benefit cost of the pension plan is recognised fully by the sponsoring employer, which is State Street Bank and Trust Company – London Branch, another member of the Group. The Company then recognises a cost equal to its contribution payable for the period. The contributions payable by the participating entities are determined pro-rata with their allocation of normal service costs at the point immediately prior to the closure of the scheme to future accrual, adjusted for certain specific arrangements where the Group has been restructured. Contributions to the defined contribution scheme are recognised in the Statement of Comprehensive Income as they become payable. Over the current year, the Company paid £nil (2021: £29,360) into the defined benefit section of the Scheme and there were no outstanding contributions owed by the Company in respect of the Scheme at the year end. For further detail regarding the defined benefit plan refer to Note 12 in the financial statements of State Street Trustees Limited, another member of the Group.

11. Parent undertaking and controlling party

The Company's immediate parent undertaking is State Street Europe Limited, a company incorporated in England and Wales.

The ultimate parent company and controlling party is State Street Corporation, incorporated in the Commonwealth of Massachusetts, in the United States of America. State Street Corporation's consolidated financial statements that include the results of this company can be obtained from State Street, Financial Centre, 1 Lincoln Street, Boston, Commonwealth of Massachusetts, United States of America.

12. Events after the balance sheet date

There have been no events since the balance sheet date which necessitate disclosure or revision of the figures included in the financial statements.