

SSI Search Limited

Registered No. 04559528

Report and Financial Statements

31 December 2015



SSI Search Limited

Registered No. 04559528

Directors

Anna-Marie Jupp

Stephen Craig

Auditors

Ernst & Young LLP

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London

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Registered Office

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Strategic Report

The Directors of SSI Search Limited ("the Company") present their Strategic Report of the Company for the year ended 31 December 2015.

The Strategic Report is a statutory requirement under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013. 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 (duty to promote the success of the Company).

Principal activities and review of the business

The Company's principal activity is a specialist provider for the management of reference data to the international finance community. Until April 2015, the Company also held investments in other State Street affiliated companies. These investment holdings were sold for a gain on 29 April 2015, and subsequently, Company loans set up in the original purchase of the shares were repaid.

Capital Management

The Company's policy is to maintain a strong capital base in order to maintain investor, creditor and market confidence.

There have been no changes to the Company's management of capital during the period.

Principal risks and uncertainties

The Company limits the adverse effects of any risks on its financial performance by complying with the risk management policies established by its ultimate parent undertaking, State Street Corporation. Previously, the most significant risk related to the potential impairment of the Company's investment in State Street Holdings Italy SRL ("SSHI"). This investment also gave rise to foreign currency risk, however this risk was eliminated by the Company entering in to forward contracts to reduce exposure to the variability of foreign exchange rates. This risk has now been eliminated due to the SSHI preference share redemption and subsequent affiliate loan repayments in April 2015.

Future Developments

Following the sale of preference shares and repayment of intercompany loans in the current year, the equity position is now positive at £885,631 due to gains received in respect of dividends in SSHI.

As of the date of signing these financial statements, the Company only conducts its principal activity as a specialist provider for the management of reference data to the international finance community.

The Directors will continue to closely monitor the Company's progress, however there are currently no plans to change the current strategy for the principal activity of the Company.

On behalf of the Board



Stephen Craig
Director

7 September 2016

Directors' Report

The Directors present their report and audited financial statements for the year ended 31 December 2015. In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, the Directors have set out the Review of the business and Principal risks and uncertainties within the Company's Strategic report.

Results and dividends

Turnover decreased by 2.4% during the year due to subscription fee terminations from customers and the period end provision for uncollectible fees.

The Company made a profit for the year after taxation of £898,637 (2014: £750,120), as a result of the gain on the sale of assets (preferred shares), offset against foreign exchange losses on loans payable to affiliates. The Directors do not recommend the payment of a dividend for the year (2014: £nil).

Directors

The Directors during the year were as follows:

Anna-Marie Jupp (appointed – 06/01/2016)
Stephen Craig (appointed – 22/08/2016)

Peter Williams (resigned – 07/01/2016)
Mark Keating (resigned – 22/08/2016)

None of the Directors held any disclosable interest in the shares of the Company.

Directors' indemnification

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

Financial Instruments

The investment in SSHI that was disposed of during the year gave rise to foreign currency risk. Whilst this risk has been eliminated, for the part of the year, the company used forward contracts to reduce exposure to the variability of foreign exchange rates by fixing the rate of any material payments in a foreign currency.

Going Concern

The Company's business activities together with factors likely to affect its future development, its financial position, financial risk management objectives and its risk exposures are set out above and in the Strategic Report.

The Company has adequate financial reserves together with long term contracts with a number of customers. As a consequence, the Directors believe that the Company is well placed to manage its business risk successfully.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate reserves to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual financial statements.

Disclosure of information to the Auditors

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the Auditor in connection with preparing its report, 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 Director in order to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information.

Re-Appointment of Auditors

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


Stephen Craig - Director

7 September 2016

Directors' Responsibilities Statement

The Directors are responsible for preparing the Strategic report, the Directors report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 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 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.

Independent Auditor's report

to the members of SSI Search Limited (Registered No. 04559528)

We have audited the financial statements of SSI Search Limited for the year ended 31 December 2015 which comprise the Income Statement, the Statement of Changes in Equity, the Balance Sheet, and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the 'Report and Financial Statements' to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 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'.
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

Independent Auditor's report (continued)

to the members of SSI Search Limited (Registered No. 04559528)

Matters on which we are required to report by exception

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

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

Ernst & Young LLP

Victor Veger (Senior Statutory Auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

London

8 September 2016

Income Statement

for the year ended 31 December 2015

	<i>Note</i>	<i>2015</i> £	<i>2014</i> £
Turnover	3	117,638	120,546
Administrative expenses	4	(115,298)	(118,734)
Foreign Exchange (gains)/losses		(508,358)	1,021,190
Gain on Sale of Assets	8	1,517,735	-
Operating Profit		1,011,717	1,023,002
Interest payable and similar cost	5	(113,080)	(272,882)
Profit on ordinary activities before taxation		898,637	750,120
Taxation	7	-	-
Profit for the financial year after taxation		898,637	750,120

There are no recognised gains or losses for the current financial year and preceding financial year other than as stated in the profit and loss account. Accordingly no statement of Other Comprehensive Income has been presented.

All income and expenditure relates to continuing operations.

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

Statement of changes in equity

for the year ended 31 December 2015

	<i>Note</i>	Share Capital (Note 14) £	Retained earnings £	Unrealised gain on investment £	Total Equity £
At 1 January 2014		2,200,000	(2,963,126)	-	(763,126)
Effect of change in accounting policy	17	-	-	1,951	1,951
At 1 January 2014 (Restated)		2,200,000	(2,963,126)	1,951	(761,175)
Profit for the financial year		-	749,331	-	749,331
Effect of change in accounting policy	17	-	-	(1,162)	(1,162)
At 31 December 2014		2,200,000	(2,213,795)	789	(13,006)
Profit for the financial year		-	898,637	-	898,637
At 31 December 2015		2,200,000	(1,315,158)	789	885,631

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


Balance sheet

as at 31 December 2015

	Notes	2015 £	2014 £
Fixed Assets			
Investments in affiliates	8	-	14,214,289
		-	14,214,289
Current assets			
Other debtors	9	62,866	98,106
Cash at bank and in hand	10	887,066	151,312
		949,932	249,418
Creditors : Amounts falling due within one year			
Accruals and deferred income	11	(62,691)	(85,466)
Amounts due to other affiliates	11/12	(1,610)	(14,571)
		(64,301)	(100,037)
Net Current Assets		885,631	149,381
Total Assets less Current Liabilities		885,631	14,363,670
Creditors: Amounts falling due after more than one year			
Intercompany loans	13	-	(14,376,676)
Net Assets		885,631	(13,006)
Capital and reserves			
Share Capital	14	2,200,000	2,200,000
Retained earnings		(1,314,369)	(2,213,006)
Total equity		885,631	(13,006)

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

These financial statements were approved by the Board of Directors and are signed on its behalf by:



Stephen Craig

Director

7 September 2016

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015

1. Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of SSI Search Limited (the "Company") for the year ended 31 December 2015 were authorised for issue by the Board of Directors on 6 September 2016 and the Balance Sheet was signed on the Board's behalf by Mark Keating.

SSI Search Limited is incorporated and domiciled in England and Wales.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The Company's financial statements are presented in British Sterling (GBP) which is its functional and presentation currency.

The Company's ultimate parent undertaking, State Street Corporation, 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: Financial Centre, 1 Lincoln Street, Boston Commonwealth of Massachusetts, United States of America.

The principal accounting policies adopted by the Company are set out in note 2.

2. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

Basis of accounting

The Company transitioned from previously extant UK GAAP to FRS 101 on the 1st January 2014 and for all periods thereafter as presented in the financial statements. The adjustments required on transition are disclosed in note 17.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2015.

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 related party transactions within wholly owned subsidiaries of a group;
- The effects of new but not yet effective IFRSs;
- Comparative period reconciliations for share capital;
- An additional Balance Sheet required by IFRS 1 for the beginning of the earliest comparative period following the retrospective change in accounting policy, the correction of error, or the reclassification of items in the financial statements (see note 17 for Reconciliation of Equity as at the transition date required by IFRS 1 First-time adoption of IFRS); and
- Disclosures in respect of the compensation of Key Management Personnel.
- The requirements of IFRS 7 Financial Instruments: Disclosures

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements and in preparing an opening FRS 101 Reconciliation of Equity at 1 January 2014 for the purposes of the transition to FRS 101.

Turnover

Turnover represents the invoiced value of sales on transactions excluding VAT. Revenue is recognised on provision of service in accordance with the terms of contractual arrangements with customers.

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2015

2. Accounting policies (continued)

Related party transactions

In accordance with IAS24 Related Party Disclosure, the Company is exempt from the requirement to disclose transactions with related parties on the grounds that it is a wholly owned subsidiary of a group for which consolidated financial statements are prepared and are publicly available.

Investment in affiliates

Investments are recognised at historical cost less any applicable provision for impairment.

Intercompany loan interest expense

Interest expense is recognised over the term of the respective loans on an accruals basis.

Foreign Currencies

Transactions during the year denominated in foreign currencies have been translated at the rate of exchange ruling at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the Balance Sheet date. All differences are taken to the profit and loss account. Certain loan repayment balances, which are translated at the forward contract rate where the instalment amounts, were hedged with a forward contract up to the date of repayment.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been substantively enacted by the Balance Sheet date.

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. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements, which are capable of reversal in one or more subsequent periods.

Deferred tax is measured on a non-discounted basis at the 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 at the Balance Sheet date.

3. Turnover

Turnover is attributable to the principal activity of the Company and arose in the United Kingdom.

	2015	2014
	£	£
Turnover	117,638	120,546
	<u> </u>	<u> </u>
Deferred revenue	2015	2014
	£	£
At 31 December	68,774	72,020
Deferred during the year	111,599	147,300
Released to the income statement	(117,638)	(120,546)
Doubtful debt provision	(15,000)	(30,000)
	<u> </u>	<u> </u>
At 31 December	47,735	68,774
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2015

4. Operating profit

Operating profit or loss is stated after charging:

	2015	2014
	£	£
Auditor's Remuneration – Audit of Financial Statements	19,590	12,575
Auditor's Remuneration – Taxation Compliance Services	1,600	1,000
Professional Fees – Tax Computation	900	1,500
Professional Fees – Legal fees	-	2,480
Foreign Exchange (gains)/losses	508,358	(1,021,190)

5. Interest payable and similar cost

	2015	2014
	£	£
Interest Expense – payable to affiliate PFS Germany	82,675	204,093
Interest Expense – payable to affiliate SS Fondsleitung AG	30,405	68,789
Total Interest payable and similar cost	113,080	272,882

6. Information Regarding Directors and Employees

The Company had no employees throughout the current and prior year.

The 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 year totalled £1,000 (2014: £679).

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2015

7. Taxation

(a) Analysis of charge in period	2015	2014
	£	£
Current tax:		
UK corporation tax on profits of the period	-	-
Adjustments in respect of previous periods	-	-
Total current tax	-	-
Deferred Tax:		
Total deferred tax	-	-
Tax on profit on ordinary activities	-	-
(b) Factors affecting tax charge for period	2015	2014
	£	£
Profit/(Loss) on ordinary activities before tax	898,637	750,120
Profit on ordinary activities multiplied by the blended rate of corporation tax in the United Kingdom of 20.25% (2014 - 21.5%)	181,974	161,276
<i>Effect of:</i>		
Expenses not deductible/(income not taxable) for tax purposes	102,923	(219,025)
Utilisation of tax losses	(0)	(923)
Gain on disposal of investment not taxable	(307,341)	-
Group relief not paid for	22,444	58,672
Total current tax	-	-

The company has not recognised deferred tax on unrelieved trading losses carried forward given the uncertainty around the utilisation of these losses.

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2015

8. Investment in Affiliates

	2015	2014
	£	£
<i>Fixed Assets</i>		
Investment – Preference shares in State Street Holding Italy SRL	-	14,214,289

On the 26th November 2012 the entity purchased preference shares in an affiliate being State Street Holding Italy SRL.

On 25 and 26 November 2013, the management boards of State Street Bank GmbH ("SSG"), State Street Holdings Italy S.r.l. ("SSHI") and State Street Bank S.p.A. ("SSBI") drew up common draft terms for the cross-border merger of SSHI and SSBI, both as transferring entities, with and into SSG as acquiring entity (the "Merger").

In order to facilitate the merger process, it was decided to set up on the basis that SSI Search Limited would not be a shareholder at the time the common draft terms were formally concluded and the deed of merger was executed. Therefore, prior to 22 May 2015, SSI Search Limited withdrew from SSHI and therefore ceased to be a shareholder of SSHI.

On 29 April 2015, SSI Search Limited ("SSIS") voted against the approval of the merger of SSHI and SSBI into SSG. SSIS was then entitled to withdraw from SSHI and exercised its right of withdrawal. As a result of SSIS's withdrawal, the quota held by the Company in SSHI representing 10% of the corporate capital (the "SSISL Quota") was redeemed by SSHI. SSHI paid to SSIS, as compensation for the redemption, an amount equal to the fair value of the SSISL Quota. This fair value equated to €19,720,000 and was received on 29 April 2015. The value of shares consisted of €17,616,074 (GBP £14,214,289) in principal and €2,103,926 (GBP £1,517,735) in accrued unpaid dividends which constituted the gain on the sale of the asset reported in these financial statements.

The purchase of the preference shares were funded by two loans made to SSI Search Limited by two Company affiliates. The redemption of the SSISL Quota triggered the repayment of the affiliate loans. The repayment of the loans included interest payable calculated to 29 April 2015. On 30 April 2015, €12,771,130.22 was repaid to PFS GmbH and CHF 7,100,366.67 was repaid to Fondsleitung AG.

9. Other Debtors

	2015	2014
	£	£
Trade debtors	97,693	94,958
Reserve for Receivable Contracts	(45,000)	(30,000)
Amounts owing from Group subsidiaries (Transfer Pricing)	9,107	33,148
VAT Receivable	1,066	-
Other Debtors Total	62,866	98,106

10. Cash at bank and in hand

	2015	2014
	£	£
DDA account (EUR €)	577,308	20,284
DDA account (CHF)	162,411	-
Cash at bank	147,347	131,028
Cash at bank and in hand	887,066	151,312

NOTES TO THE FINANCIAL STATEMENTS (continued)**for the year ended 31 December 2015****11. Creditors: Amounts falling due within one year**

	<i>Notes</i>	2015 £	2014 £
Deferred income		47,736	68,774
Other Creditors		14,955	16,693
Amounts due to other affiliates	12	1,610	14,571
Creditors: Amounts Falling Due Within One Year		64,301	100,038

12. Amounts due to other affiliates

Amounts due to other affiliates are generally with State Street Bank and Trust Company ("SSBTC") and are repayable on demand.

As at 31 December 2015, the Company owed £1,610 to SSBTC in respect of iXBRL Professional fees paid centrally and then recharged to individual entities. This intercompany balance was paid in January 2016.

As at 31 December 2014, the Company owed £14,571 to SSBTC in respect of an overdraft balance on the currency DDA accounts held. These amounts were cleared as part of the preference share and loan payments in currency.

13. Creditors: Amounts falling due after more than one year

	2015 £	2014 £
Unsecured Loans	-	13,700,082
Other Creditors	-	676,594
	-	14,376,676
Loans & Borrowings		
In more than five years	-	13,700,082
Details of loans wholly repayable over five 5 years are as follows:		
CHF 6,800,000 zero coupon loan at a discount rate of 1.87%	-	4,364,001
EURO 12,000,000 zero coupon loan at a discount rate of 2.7%	-	9,336,081
	-	13,700,082

Loans are repayable in full once the preference shares held in State Street Holding Italy SRL are redeemed. The redemption of these shares was instructed on 29 April 2015. The loan interest was calculated as zero coupon with a single payment made to the affiliates on 29 April 2015 (issue price plus imputed interest). The repayment of loans included interest payable calculated to 29 April 2015. On 30 April 2015, PFS GmbH were repaid € 12,771,130.22 and Fondsleitung AG were repaid CHF 7,100,366.67.

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2015

14. Authorised, issued and called up share capital

	<i>2015</i>	<i>2014</i>
	<i>No.</i>	<i>No.</i>
Authorised:		
1,100,000 ordinary "A" shares of £1 each	1,100,000	1,100,000
1,100,000 ordinary "B" shares of £1 each	1,100,000	1,100,000
	<u>2,200,000</u>	<u>2,200,000</u>
Allotted, called up, and fully paid:		
Ordinary shares of £1 each		
At 1 January	2,200,000	2,200,000
issued during the period	-	-
At 31 December	<u>2,200,000</u>	<u>2,200,000</u>

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

15. Ultimate parent undertaking

The Company's immediate parent undertaking is State Street International Holdings. 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 can be obtained from One Lincoln Street, Boston, Commonwealth of Massachusetts, United States of America.

16. Events after the Balance Sheet date

There have been no events since the Balance Sheet date which necessitate revision of the figures included in the financial statements or the inclusion of a note there to.

On the 23rd June 2016 the United Kingdom voted in a national referendum which decided by a margin of 52% to 48% on leaving the European Union. The situation is being monitored closely. We are looking at the potential implications for our business and our clients based upon the information available.

17. Explanation of transition to FRS 101 from previous UK GAAP

As stated in note 1, these are the Company's first financial statements prepared in accordance with FRS 101.

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 2015, the comparative information presented in these financial statements for the year ended 2014 and in the preparation of an opening FRS 101 Balance Sheet at 1 January 2014 (the Company's date of transition).

In preparing its FRS 101 Balance Sheet, the Company has adjusted amounts reported previously in the financial statements prepared in accordance with its old basis of accounting (UK GAAP). An explanation of how the transition from UK GAAP to FRS 101 has affected the Company's financial position and financial performance is set out in the following notes and accompanying tables.

Effect of transition to FRS101

Adopting FRS101 requires the unrealised gains or losses on foreign currency exposures to be recognised with respect to NDF contracts. The investment in associate was funded by intra-entity loans of CHF 6,800,000 with State Street Fondsleitung AG and €12,000,000 with Princeton Financial GMBH. In order to hedge the foreign currency exposures, the Company entered into 3 month rolling forward NDF contracts.

The previous treatment under UK GAAP meant loans were revalued to the contractual rates of the NDF contracts. No derivative assets/liabilities were recognised with respect to NDF.

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2015

17. Explanation of transition to FRS 101 from previous UK GAAP (continued)

FRS101 requires the loans are revalued to the month end rate. The unrealised gain or loss on the NDF is now booked and reversed upon settlement every 3 months once the gain or loss has been realised (Note A in the tables below).

Reconciliation of profit/loss for year ended 31 December 2014

	Notes	Previous UK GAAP £	Effect of transition to FRS 101 £	FRS 101 £
Turnover		120,546	-	120,546
Interest Expense		(272,882)	-	(272,882)
Administrative expenses	A	901,667	789	902,456
Profit before taxation		749,331	789	750,120
Taxation		-	-	-
Profit for the financial year after taxation		749,331	789	750,120

Reconciliation of equity as at 1 January 2014 and 31 December 2014

	Note	1 January 2014			31 December 2014		
		Previous UK GAAP £	Effect of transition to FRS 101 £	FRS 101 £	Previous UK GAAP £	Effect of transition to FRS 101 £	FRS 101 £
Fixed Assets							
Investments in affiliates		14,214,289	-	14,214,289	14,214,289	-	14,214,289
		14,214,289	-	14,214,289	14,214,289	-	14,214,289
Current assets							
Cash at bank		105,966	-	105,966	131,028	-	131,028
Amounts due from other affiliates		29,805	-	29,805	20,284	-	20,284
Debtors		116,855	-	116,855	98,106	-	98,106
		252,626	-	252,626	249,418	-	249,418
Creditors:							
Amounts falling due within one year		(89,004)	-	(89,004)	(85,466)	-	(85,466)
Amounts due to other affiliates		(117,703)	-	(117,703)	(14,571)	-	(14,571)
Net Current Assets		45,919	-	45,919	149,381	-	149,381
Total Assets less Current Liabilities		14,260,208	-	14,260,208	14,363,670	-	14,363,670
Creditors							
Amounts falling due after one year	A	(15,023,334)	1,951	(15,021,383)	(14,377,465)	789	(14,376,676)
Net Assets		(763,126)	1,951	(761,175)	(13,795)	789	(13,006)
Capital and reserves							
Called up share capital		2,200,000	-	2,200,000	2,200,000	-	2,200,000
Retained loss		(2,963,126)	1,951	(2,961,175)	(2,213,795)	789	(2,213,006)
Shareholder's funds		(763,126)	1,951	(761,175)	(13,795)	789	(13,006)