REGISTERED NUMBER: 07061437 (England and Wales)

DTCC SOLUTIONS WORLDWIDE LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

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FOR THE YEAR ENDED 31 DECEMBER 2011

DIRECTORS:	M C Bodson A B O'Leary K Spielmann
SECRETARY	David Bray
REGISTERED OFFICE	Broadgate West 7th Floor One Snowden Street London EC2A 2DQ
REGISTERED NUMBER	07061437 (England and Wales)
AUDITOR	Deloitte LLP London, UK

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2011

GENERAL INFORMATION

The directors present their report with the financial statements of the Company for the year ended 31 December 2011

DTCC Solutions Worldwide Limited ("DSW" or the "Company") is a wholly owned subsidiary of The Depository Trust & Clearing Corporation (DTCC) DTCC is a holding company that supports various operating subsidiaries including The Depository Trust Company, National Securities Clearing Corporation (NSCC), Fixed Income Clearing Corporation, DTCC Deriv/SERV LLC, DTCC Solutions LLC, European Central Counterparty Limited and Avox Limited

INCORPORATION

The Company was incorporated on 30 October 2009 and received regulatory approval from the UK's Financial Services Authority (FSA) as a payment services firm on 22 June 2010

RESULTS AND DIVIDENDS

The results of the Company are set out in the statement of comprehensive income on page 6 for the year ended 31 December 2011 The 2010 comparative figures refer to the period from the date of incorporation until 31 December 2010 The Company reports a loss of £123,439 for the year (2010 loss £36,166) The directors do not recommend the payment of a dividend

KEY PERFORMANCE INDICATORS

The primary Key Performance Indicator will be the number of settlements effected None have been undertaken in the period

GOING CONCERN

The directors have received a firm commitment from the parent company in the form of a letter of support dated on 27 June 2012, that the parent company will ensure DSW has sufficient financial resources to meet its liabilities as they fall due In addition, as discussed below, the parent company has continued to demonstrate its commitment to DSW through capital contributions in the year and subsequent to the balance sheet date (see note 12) Based upon these factors, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements

PRINCIPAL ACTIVITY

DSW is an Authorised Payment Institution regulated by the FSA It will provide multi-currency settlement functionality for offshore mutual fund transactions that are processed through Fund/SERV but currently settle outside NSCC

EVENTS SINCE THE END OF THE PERIOD

Information relating to events since the end of the period is given in note 13 to the financial statements

DIRECTORS

The directors who have held office during the period from 1st January 2011 to the date of this report are as follows

M C Bodson
A B O'Leary
W N Stenning - resigned 26 March 2011
K Spielmann – appointed 20 May 2011

Individuals are selected to serve on the Board of Directors based on their ability to provide broad industry insight and counsel Board committees may be specifically structured to help achieve key development objectives for the Company

Directors are appointed either through ordinary resolution or by a decision of the current directors and serve until the appointment is terminated through resolution or otherwise set out in the Company's Articles of Association

DIRECTORS INDEMNITY

DTCC, of which DSW is a member, has made indemnity provisions for the benefit of its directors of DSW These provisions were in force at the date of this report

STAFF

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

PRINCIPAL RISKS AND UNCERTAINTIES

Principal risks and ways the Company mitigates risk are presented in note 14

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

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

- So far as each of the Directors is aware, there is no relevant audit information (being information needed by the Company's auditor in connection with preparing their report) of which the Company's auditor is unaware, and

- Each of the Directors has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information

INDEPENDENT AUDITOR

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

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

ON BEHALF OF THE BOARD

K Spielmann, Director

Date 4 July 2012

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 International Financial Reporting Standards (IFRSs) as adopted for use in the European Union Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period In preparing these financial statements, International Accounting Standard 1 requires that the directors

- properly select and apply accounting policies,
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance, and
- make an assessment of the Company's ability to continue as a going concern

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DTCC SOLUTIONS WORLDWIDE LIMITED

We have audited the financial statements of DTCC Solutions Worldwide Limited for the year ended 31 December 2011 which comprise, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, Statement of Cash Flows, the notes in the Statement of Cash Flows and the related notes 1 to 15 The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union

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, 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 annual report to identify material inconsistencies with the audited financial statements 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 2011 and of its loss for the period then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

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, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report

Michael Williams

Michael Williams (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, UK

Date 4 Aug 2012

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2011

£ Continuing Operations	Note	1 Jan 2011 to 31 Dec 2011	30 Oct 2010 to 31 Dec 2010
Revenue		-	-
Administrative expenses		**(167,944)**	**(50,230)**
Operating loss		**(167,944)**	**(50,230)**
Loss before taxation	4	**(167,944)**	**(50,230)**
Taxation	5	**44,505**	**14,064**
Loss for the year/period		**(123,439)**	**(36,166)**
Other comprehensive income for the year/period		-	-
Total comprehensive loss for the year/period		**(123,439)**	**(36,166)**

The accompanying notes on pages 11 to 17 are an integral part of these financial statements

BALANCE SHEET
AT 31 DECEMBER 2011

£	Note	2011	2010
Assets			
Current assets			
Trade and other receivables	6	**58,569**	**14,064**
Cash	7	**212,984**	**151,000**
NET CURRENT ASSETS		**271,553**	**165,064**
Liabilities			
Current liabilities			
Trade and other payables	8	**(218,174)**	**(50,230)**
NET ASSETS		**53,379**	**114,834**
Shareholder's equity			
Called up share capital	9	**151,000**	**151,000**
Capital Contribution	10	**61,984**	
Accumulated losses	11	**(159,605)**	**(36,166)**
Total shareholder's equity		**53,379**	**114,834**

The financial statements were approved by the Board of Directors and authorised for issue on 7 July 2012 and were signed on its behalf by

K Spielmann, Director

The accompanying notes on pages 11 to 17 are an integral part of these financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2011

£	Called up Share Capital	Capital Contribution	Accumulated losses	Total Equity
Changes in equity				
Issue of share capital	151,000	-	-	151,000
Loss for period	-	-	(36,166)	(36,166)
Balance at 31 December 2010	151,000	-	(36,166)	114,834
Changes in equity				
Capital Contribution	-	61,984	-	61,984
Loss for year	-	-	(123,439)	(123,439)
Balance at 31 December 2011	**151,000**	**61,984**	**(159,605)**	**53,379**

The accompanying notes on pages 11 to 17 are an integral part of these financial statements

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2011

£	Cash Flow Notes	1 Jan 2011 to 31 Dec 2011	30 Oct 2010 to 31 Dec 2010
Cash flows from operating activities			
Cash generated from operations	1	-	-
Cash flows from financing activities			
Share issue		-	151,000
Capital Contribution		61,984	
Net cash from financing activities		61,984	151,000
Net increase in cash		61,984	151,000
Cash at beginning of period	2	151,000	-
Cash at end of year	2	212,984	151,000

The accompanying notes on pages 11 to 17 are an integral part of these financial statements

1 RECONCILIATION OF LOSS BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

£	1 Jan 2011 to 31 Dec 2011	30 Oct 2010 to 31 Dec 2010
Loss before income tax	**(167,944)**	(50,230)
Increase in trade and other receivables	**(44,505)**	(14,064)
Increase in trade and other payables	**167,944**	50,230
Taxation credit on group relief of losses	**44,505**	14,064
Cash generated from operations	**-**	-

2 CASH

The amounts disclosed on the statement of cash flow in respect of cash are in respect of this statement of financial position amounts

£	2011	2010
Cash	**212,984**	**151,000**

1 BASIS OF PREPARATION

A General

The financial statements have been prepared under the historical cost convention and in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and International Financial Reporting Interpretations Committee (IFRIC) and with those parts of the Companies Act 2006 applicable to companies reporting under IFRSs A summary of significant accounting policies is set out below

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates as reflected in note 2 It also requires management to exercise its judgment in the process of applying the Company's accounting policies

B Adoption of New and Revised Standards

In the current period, the Company has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for accounting periods beginning on 1 January 2011

The IFRSs adopted by the EU as applied by the Company in the preparation of these financial statements are those that were effective at 31 December 2011

During the year, the Company has adopted the Improvements to IFRSs 2010, IAS 24 Related Party Disclosures (Amendment), Amendment to IAS 32 Classification of Rights Issues and IFRIC 19 "Extinguishing financial liabilities with equity instruments"

Improvements to IFRSs 2010
The only amendment that may be relevant to the Company refers to IAS 1 Presentation of Financial Statements The amendment clarifies that an entity may choose to disclose an analysis of other comprehensive income by item in the statement of changes in equity or in the notes to the financial statements The adoption of the amendment did not have any impact on the financial position or performance of the Company

IAS 24 Related Party Disclosures (amendment)
The IASB issued an amendment to IAS 24 that clarifies the definitions of a related party The new definitions emphasise a symmetrical view of related party relationships and clarifies the circumstances in which persons and key management personnel affect related party relationships of an entity In addition, the amendment introduces an exemption from the general related party disclosure requirements for transactions with government and entities that are controlled, jointly controlled or significantly influenced by the same government as the reporting entity The adoption of the amendment did not have any impact on the financial position or performance of the Company

IAS 32 Financial Instruments Presentation (Amendment)
The IASB issued an amendment that alters the definition of a financial liability in IAS 32 to enable entities to classify rights issues and certain options or warrants as equity instruments The amendment is applicable if the rights are given pro rata to all of the existing owners of the same class of an entity's non-derivative equity instruments, to acquire a fixed number of the entity's own equity instruments for a fixed amount in any currency The amendment has had no effect on the financial position or performance of the Company because the Company does not have these types of instruments

IFRIC 19 Extinguishing financial liabilities with equity instruments
IFRIC 19 provides guidance on how a debtor should account for its equity instruments issued in full or partial settlement of a financial liability The Interpretation did not have any impact on the financial position or performance of the Company

The following standards and amendments to existing standards have been published and are mandatory for accounting periods of the Company beginning after 1 January 2012, but which have not been adopted early by the Company

1 **BASIS OF PREPARATION**

B Adoption of New and Revised Standards (continued)

IFRS 9, 'Financial Instruments', is effective for accounting periods beginning on or after 1 January 2015 The standard was issued in November 2009 and amended in December 2011 amending the effective date from 1 January 2013 to 1 January 2015 Currently IFRS 9 outlines the recognition and measurement of financial assets, financial liabilities and the derecognition criteria for financial assets Financial assets are to be measured either at amortised cost or fair value through profit and loss, with an irrevocable option on initial recognition to recognise some equity financial assets at fair value through other comprehensive income A financial asset can only be measured at amortised cost if the Company has a business model to hold the asset to collect contractual cash flows and the cash flows arise on specific dates and are solely for payment of principal and interest on the principal outstanding On adoption of the standard the Company will have to redetermine the classification of its financial assets specifically for available-for-sale and held-to-maturity financial assets Most financial liabilities will continue to be carried at amortised cost, however, some financial liabilities will be required to be measured at fair value through profit and loss (for example derivatives) with changes in the liabilities' credit risk to be recognised in other comprehensive income The derecognition principles of IAS 39, 'Financial Instrument Recognition and Measurement', have been transferred to IFRS 9 There is unlikely to be an impact on the Company from this section of the standard when it is applied

IFRS 7 (amendment), 'Financial Instruments Disclosures' The amendment addresses the disclosures surrounding the derecognition of financial assets The amendment removes the extant requirements and adds new disclosure requirements for, transferred financial assets which do not qualify for derecognition and those transferred financial assets that are derecognised in their entirety but the entity has continuing involvement in them The amendment is effective for annual periods beginning on or after 1 July 2011 Comparative information will not be required on initial application

IFRS 7 (amendment), 'Disclosures – Offsetting Financial Assets and Financial Liabilities' and IAS 32 'Offsetting Financial Assets and Financial Liabilities' The amendment to IFRS 7 addresses the disclosures surrounding the offsetting of financial assets and financial liabilities The IAS 32 amendment clarifies the existing offsetting requirements and therefore will have no impact on the Company The overall impact of these amendments will result in additional disclosures being provided on adoption The amendments are effective for annual periods beginning on or after 1 January 2013

IFRS 13, 'Fair Value Measurement', is effective for accounting periods beginning on or after 1 January 2013 The standard outlines a single framework for measuring fair value when required by other IFRSs and the disclosures required about fair value The standard is unlikely to impact the fair value measurement of assets and liabilities that are recognised at fair value, however there will be greater disclosures given as all items measured at fair value will need to fall within the fair value hierarchy

Amendments to IAS 19 'Employee Benefits' is effective for accounting periods beginning on or after 1 January 2013 The Amendments change the accounting for defined benefit plans and termination payments, they require the recognition of changes in defined benefit obligations and in fair value of the plan assets when they occur The Directors do not expect the Amendment to have a significant impact on the Company

Except for Amendments to IFRS 7 Financial Instruments Disclosures –Transfers of Financial Assets, none of the new IFRSs or Amendments have been endorsed by the EU

C The Going Concern Assumption

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' Report on pages 2 to 3

The directors have received a firm commitment from the parent company, in the form of a letter of support dated on 27 June 2012, that the parent company will ensure DSW has sufficient funds to meet financial liabilities as they fall due In addition, there was a capital contribution to the Company by the parent subsequent to the balance sheet date of £ 125,000

Taking all of these factors into consideration, the directors believe it is reasonable to assume that the Company will have access to adequate resources to continue in operational existence for the foreseeable future Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A Functional Currency

Items included in the financial statements are measured using the currency of the primary economic environment in which DSW operates ("the functional currency") The financial statements are presented in pounds sterling, which is the functional and presentation currency of the Company

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit or Loss

B Taxation

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

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit

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

C Cash

Cash includes cash in hand and deposits held on call with banks

D Revenue Recognition

It is anticipated that revenue will be transaction based and recognized, in accordance with its fee schedule, as transactions are processed Transactions will be recorded, and revenue accrued, daily and billed on a monthly basis

E Financial Instruments

Finance Income for all interest-bearing financial instruments is recognised using the effective interest method

F Financial Assets

The Company classifies its financial assets in the following categories financial instruments at fair value through profit or loss (FVTPL) and loans and receivables Management determines the classification of financial assets and liabilities at initial recognition

Financial assets are classified as FVTPL where the financial asset is held for trading or it is designated as fair value through profit or loss at inception A financial asset is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term or if it is part of a portfolio of identified financial instruments that are managed together where there is evidence of a recent actual pattern of short-term profit-taking

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and which are not classified as available for sale Loans and receivables are initially recognised at fair value including direct and incremental transaction costs They are derecognised when the rights to receive cash flows have expired or the Company has transferred substantially all the risks and rewards of ownership

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G Impairement of Financial Assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each balance sheet date Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets

H Financial Liabilities

Financial liabilities are measured at amortised cost Financial liabilities are derecognised when extinguished

I Key Accounting Judgements

The preparation of financial statements in conformity with IFRSs requires the use of estimates and assumptions These affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period Although these estimates are based on management's best knowledge of current events and circumstances, actual results may ultimately differ from those estimates

3 STAFF COSTS

There were no staff costs for the period ended 31 December 2011

The directors' emoluments and pension details are discussed in the group financial statements Where the directors are remunerated by fellow group companies for their services to the group as a whole, it is not practicable to allocate their remuneration between their services as directors of this company and their services as directors of other group companies

4 LOSS FOR THE YEAR/PERIOD

The loss before income tax is stated after charging

	1 Jan 2011 to 31 Dec 2011 £	30 Oct 2010 to 31 Dec 2010 £
Auditors' remuneration	53,517	32,374
Foreign exchange differences	460	

5 TAXATION

Analysis of the tax charge/ (credit)

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2011 nor for the year ended 31 December 2010 The tax credit for the year can be reconciled to the loss per the statement of comprehensive income as follows

	1 Jan 2011 to 31 Dec 2011 £	30 Oct 2010 to 31 Dec 2010 £
Loss before tax on continuing operations	(167,944)	(50,230)
Group relief surrendered at UK corporation tax rate of 26 5% (2010 28%)	(44,505)	(14,064)
Total tax charge/ (credit)	(44,505)	(14,064)

The UK corporation tax rate applying to DTCC Solution Worldwide was 26 5% (2010 28%) The UK Government announced on 23 March 2011 that the main rate of UK corporation tax for the year beginning 1 April 2011 will reduce from 28% to 26% to be followed by three further 1% reductions per annum to 23% for the year beginning 1 April 2014 While the reduction in the corporation tax rate to 25% due to be effective from 1 April 2012 was substantively enacted on 5 July 2011, the UK Government further announced on the 21 March 2012 an additional 1% reduction bringing the UK corporation tax rate to 24% with effect from 1 April 2012 which was substantively enacted on 26 March 2012 The reduction in the main rate of corporation tax in 2011 results in a weighted average rate of 26 5% (2010 28%) The estimated financial effect of these changes is considered insignificant

5 **TAXATION (continued)**

At 31 December 2011, the Company had £167,944 (2010 £50,230) of losses, and will claim a current benefit through surrender of the losses under the provisions of group relief The Company will enter into appropriate documentation prior to the filing of the relevant tax returns for the surrender of the losses and payment of a commensurate benefit back to the Company

6 **TRADE AND OTHER RECEIVABLES**

	2011	2010
	£	£
Current amounts owed by fellow group company	58,569	14,064

7 **CASH**

	2011	2010
	£	£
Bank deposit account	212,984	151,000

8 **TRADE AND OTHER PAYABLES**

	2011	2010
	£	£
Amount due to bank	3,224	1,301
Trade creditors	6,539	34,066
Current amounts owed to fellow group company	208,411	14,863
	218,174	50,230

9 **ISSUED SHARE**

			2011	2010
			£	£
Allotted, called up and fully paid				
Number	Class	Nominal value		
151,000	Ordinary	£1	151,000	151,000

151,000 Ordinary shares of £1 each were allotted and fully paid for cash at par during the period

10 **CAPITAL CONTRIBUTION**

	2011	2010
	£	£
	61,984	-

On 20 July 2011 DTCC made a capital contribution of £61,984 to ensure continued compliance with the FSA capital requirements

11 RESERVES

2011 £	Retaıned Earnıngs
At 1 January 2011	(36,166)
Loss for the year	(123,439)
At 31 December 2011	**(159,605)**

2010 £	
At 30 October 2009	-
Loss for the perıod	(36,166)
At 31 December 2010	**(36,166)**

12 RELATED PARTY DISCLOSURES

At the balance sheet date the Company owed DTCC £208,411 (2010 £14,863) ın respect of costs paıd by DTCC on behalf of the Company Costs recharged by DTCC to the Company ın the year totalled £158,945 (2010 £50,230)

Durıng the year under revıew the Company had £167,944 (2010 £50,230) of losses wıth a taxable value for group relıef purposes of £44,505 (2010 £14,064) whıch ıt has surrendered to DTCC Derıv/SERV LLC under the provısıons of group relıef ın return for a payment of a commensurate benefit back to the Company Thıs amount was outstandıng at the perıod end

13 SUBSEQUENT EVENTS

On 31 May 2012, DTCC made a cash capıtal contrıbutıon of £125,000 to the company to ensure contınued complıance wıth the FSA capıtal requırements

14 PRINCIPAL RISK FACTORS

The Company's actıvıtıes expose ıt to a varıety of rısks, market rısk (ıncludıng foreıgn currency rısk, faır value ınterest rate rısk and cash flow ınterest rate rısk), counterparty rısk and lıquıdıty rısk The Company's overall rısk management programme focuses on the unpredıctabılıty of financıal markets and seeks to mınımıze potentıal adverse effects on the Company's financıal performance

Funds may be ınvested ın debt oblıgatıons of the U S Government or those U S Government agencıes guaranteed by the U S Government ("Governments") subject to reverse repurchase agreements ("repos") Governments purchased as collateral for reverse repos may have maturıtıes of up to thırty years from the date of purchase Dırect purchases of Governments wıll be lımıted to two years to maturıty, from date of purchase All repo counterpartıes must be approved by the Rısk Management department

When repos are not avaılable, funds may also be ınvested (all currencıes) ın overnıght term deposıts, hıgh ınterest yıeld accounts or money market sweep accounts The Company may maıntaın these deposıts/accounts wıth banks that partıcıpate ın DTCC's end of day revolvıng credıt agreement or other entıtıes as approved by Rısk Management

Investments are carrıed out by a central treasury department (Company Treasury) under polıcıes approved by the Board of Dırectors Company Treasury ıdentıfies and evaluates financıal rısks ın close co-operatıon wıth the Company's operatıng unıts The Board provıdes wrıtten prıncıples for overall rısk management, as well as wrıtten polıcıes coverıng specıfic areas, such as foreıgn exchange rısk, ınterest rate rısk, credıt rısk, use of derıvatıve financıal ınstruments and non-derıvatıve financıal Instruments, and ınvestment of excess lıquıdıty

14 PRINCIPAL RISK FACTORS (continued)

Foreign Currency Risk
The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily in respect to the US dollar (USD), the UK pound (GBP) and the Euro (EUR) Foreign exchange risk arises in the translation of net assets and earnings denominated in foreign currency Any exchange differences are recorded in the statement of comprehensive income There was £460 exchange differences recorded in the period

Cash Flow and Fair Value Interest Rate Risk
The Company's income and operating cash flows are substantially independent of changes in market interest rates

Counterparty Risk
Counterparty risk is managed on a company basis Counterparty risk arises from cash and cash equivalents, trade accounts receivables, settlement accounts and intercompany receivable from its parent company There is limited counterparty risk in relation to the settlement services provided by DSW as all money settlement occurs on a prefunded gross basis period Therefore, no credit limits are required

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

Liquidity Risk and Capital Management
Liquidity risk is the risk that the Company is unable to meet its payment obligations when they fall due Liquidity risk is managed by the provision of facilities to meet short-term imbalances between available cash and payment obligations All financial assets and liabilities mature or are payable within one year

During the period, the Company defined its capital as share capital and accumulated deficit On that basis, the total capital of the Company as at 31 December 2011 was £53,379(2010 £114,834) The Company was initially capitalised with £151,000 in 2010

The Company is subject to regulatory capital requirements under Section 18 of the UK Payment Services Regulations 2009 (SI No 209 of 2009) DTCC has adopted a policy to make capital contributions to DSW, in accordance with the assurance as provided in its letter of 20 June 2011 for the Company to satisfy this requirement In 2012, there was an additional capital infusion of £TBC and the Company is in compliance at the 2011 year end and at the date these financial statements were approved

15 ULTIMATE CONTROLLING PARTY

The ultimate parent undertaking and controlling entity and the parent of the largest and smallest group of which the Company is a member and for which consolidated financial statements are prepared is The Depository Trust & Clearing Corporation which is incorporated in the United States of America Copies of its consolidated financial statements can be obtained from www dtcc com