
THE DERIVATIVES SERVICE BUREAU (DSB) LIMITED

AUDITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

Registered Number: 10542063

FOR THE YEAR ENDED 31 DECEMBER 2018

THE DERIVATIVES SERVICE BUREAU (DSB) LIMITED

COMPANY INFORMATION

Directors

T E M Abdelbary
S A Bernard (resigned 20th March 2019)
M Feito (appointed 21st March 2019)
Z A M Gonzalez
M Honegger
E L Kalliomaki
U Meyer
S J Preiss
S T Sutton
T Ulrich
P D Kuhnel

Registered number

10542063

Registered office

Canon Place
78 Cannon Street
London
EC4N 6HL

Auditor

KPMG LLP
Chartered Accountants
15 Canada Square
Canary Wharf
London
E14 5GL

THE DERIVATIVES SERVICE BUREAU (DSB) LIMITED

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THE DERIVATIVES SERVICE BUREAU (DSB) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

Company number: 10542063

Principal Activity

The principal activity of the Company is that of the supply of reference data, International Securities Identification Number (ISIN), on a cost recovery basis. Cost recovery means that revenues must be sufficient to ensure the DSB has the financial viability to meet its continuing obligation to provide the service. The DSB also provides some discretionary services to customers, referenced as commercial services.

Business Review

In 2018 the Derivatives Service Bureau (DSB) Limited completed its first full year of live service provision; providing the over the counter (OTC) derivative ISIN service as well as the associated reference data, such as the Classification of Financial Instruments (CFI) and Financial Instrument Short Name (FISN), to the global OTC derivatives market. The DSB is now embedded in industry infrastructure with the OTC instrument identifiers improving efficiency and transparency. Given user renewals remained steady, we expect a similar level of financial performance for 2019.

Directors of the company

The directors who held office during the year were as follows:

Mr TEM Abdelbary
Mr SA Bernard (resigned 20th March 2019)
Mr M Feito (appointed 21st March 2019)
Ms ZAM Gonzalez
Mr M Honegger
Ms EL Kalliomaki
Mr PD Kuhnel
Mr U Meyer
Mr SJ Preiss
Ms ST Sutton
Mr T Ulrich

Political contributions

The Company made no political contributions or incurred any political expenditure during the year.

Employees

The company has no employees.

Strategic Report

The company has taken advantage of the exemption contained in section 414B of the Companies Act 2006 not to prepare a Strategic report as it is eligible to prepare its financial statements in accordance with the small companies' regime.

Results and Dividends

The profit for the period ended 31st December 2018 was €3,118,796. The Directors do not recommend the payment of a dividend. The loss for the period ended 31st December 2017 was €2,472,534 and the Directors did not recommend a dividend

THE DERIVATIVES SERVICE BUREAU (DSB) LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018
(CONTINUED)**

This table represents the breakdown between DSB Cost Recovery (DSB CR) and Commercial activities.

ANALYSIS OF STATEMENT OF INCOME AND RETAINED EARNINGS BY CLASS FOR THE PERIOD ENDED 31ST DECEMBER 2018						
	2018			2017		
	DSB CR €	DSB Commercial €	Total €	DSB CR €	DSB Commercial €	Total €
Turnover	9,394,524	1,716,927	11,111,451	2,284,319	272,948	2,557,267
Cost of sales	- 5,357,849	- 1,241,553	- 6,599,402	- 4,910,585	- 227,600	- 5,138,185
Gross profit	4,036,675	475,374	4,512,049	- 2,626,266	45,348	- 2,580,918
Administrative Expenses	- 341,069	- 3,006	- 344,075	- 290,907	- 7,775	- 298,682
Operating Profit/(Loss)	3,695,606	472,368	4,167,974	- 2,917,173	37,573	- 2,879,600
Interest receivable/(Payable)	- 279,452	NIL	- 279,452	- 211,068	NIL	- 211,068
Profit/(Loss) before tax	3,416,154	472,368	3,888,522	- 3,128,241	37,573	- 3,090,668
Tax on (profit)/Losses			- 769,726			618,134
Profit/(Loss) after tax			3,118,796			- 2,472,534
Retained earnings at the beginning of the period			- 2,472,534			NIL
			- 2,472,534			NIL
Profit/(loss) for the period			3,118,796			- 2,472,534
Retained earnings/ (Losses) at the end of the period			646,262			(2,472,534)

THE DERIVATIVES SERVICE BUREAU (DSB) LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018
(CONTINUED)**

Going Concern

The company's financial statements have been prepared on a going concern basis on the grounds that current and future sources of funding, liquidity or support will be more than adequate for the company's needs. In assessing going concern, the directors have a reasonable expectation that the company will continue as a going concern and is able to meet all of its obligations as they fall due for a minimum of 12 months from the date of approval of these financial statements. Given user renewals remained steady for 2019, we expect a similar level of financial performance for 2019.

The Company is keeping abreast of the publicly available information on Brexit and considering the possible implications. There are currently no foreseeable matters which require the Company to take action in relation to the core ISIN service (creation and search activities). Brexit-related service disruption planning remains, at this time, a subset of the of the Company's existing Crisis Contingency plans.

Directors Indemnity

Throughout the year and at the date of this report the Company is party to an indemnity policy which benefits all of its current directors and is a qualifying third party indemnity provision for the purpose of section 236 of the Companies Act 2006

Disclosure of information to the auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director 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.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

By order of the Board dated 22nd May 2019 and signed on its behalf



E L Kalliomaki
Director
Cannon Place
78 Cannon Street
London EC4N 6HL

Dated: 24th May 2019

THE DERIVATIVES SERVICE BUREAU (DSB) LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018
(CONTINUED)

Statement of Directors' responsibilities in respect of the Directors' report and the financial statements

The directors are responsible for preparing 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 they have elected to prepare the financial statements in accordance with applicable law and Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent¹; and
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

This report was approved by the board on 22nd May 2019 and signed on its behalf.



E L Kalliomaki
Director
Cannon Place
78 Cannon Street
London EC4N 6HL

Dated: 24th May 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE DERIVATIVES SERVICE BUREAU (DSB) LIMITED

Opinion

We have audited the financial statements of The Derivatives Service Bureau (DSB) Limited ("the company") for the year ended 31 December 2018, which comprise the Statement of Income and Retained Earnings, Statement of Financial Position and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards applicable to smaller entities, including Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as recoverability of debtors and related disclosures, and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE
DERIVATIVES SERVICE BUREAU (DSB) LIMITED (CONTINUED)**

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE
DERIVATIVES SERVICE BUREAU (DSB) LIMITED (CONTINUED)**

The purpose of our audit work and to whom we owe our responsibilities

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.



Matthew Davies (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
24th May 2019

THE DERIVATIVES SERVICE BUREAU (DSB) LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 €	2017 €
Turnover		11,111,451	2,557,267
Cost of sales		(6,599,402)	(5,138,185)
Gross profit/(loss)		4,512,049	(2,580,918)
Administrative expenses		(344,075)	(298,682)
Operating profit/(loss)		4,167,974	(2,879,600)
Interest receivable/(payable)		(279,452)	(211,068)
Profit/(loss) before tax		3,888,522	(3,090,668)
Tax on profit/(loss)		(769,726)	618,134
Profit/(loss) after tax		3,118,796	(2,472,534)
Retained earnings at the beginning of the year		(2,472,534)	-
		(2,472,534)	-
Profit/(loss) for the year		3,118,796	(2,472,534)
Retained earnings at the end of the year		646,262	(2,472,534)

The notes on pages 10 to 13 form part of these financial statements.

THE DERIVATIVES SERVICE BUREAU (DSB) LIMITED
REGISTERED NUMBER: 10542063

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018 €	2017 €
Current assets			
Debtors: amounts falling due within one year	4	11,698,348	4,181,208
Cash at bank and in hand		6,958,015	7,288,073
		<u>18,656,363</u>	<u>11,469,281</u>
Creditors: amounts falling due within one year	5	(13,009,980)	(8,941,694)
Net current assets		<u>5,646,383</u>	<u>2,527,587</u>
Total assets less current liabilities		<u>5,646,383</u>	<u>2,527,587</u>
Creditors: amounts falling due after more than one year	6	(3,000,000)	(3,000,000)
Net assets/(liabilities)		<u>2,646,383</u>	<u>(472,413)</u>
Capital and reserves			
Called up share capital	7	202	202
Share premium account		1,999,919	1,999,919
Profit and loss account		646,262	(2,472,534)
		<u>2,646,383</u>	<u>(472,413)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24th May 2019



E L Kalliomaki
 Director
 Cannon Place
 78 Cannon Street
 London EC4N 6HL

The notes on pages 10 to 13 form part of these financial statements.

THE DERIVATIVES SERVICE BUREAU (DSB) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. General information

The Derivative Service Bureau (DSB) Limited (company number: 10542063) is a private company limited by shares and is incorporated, domiciled and registered in England in the UK. The address of its Registered Office is Cannon Place, 78 Cannon Street, London, EC4N 6HL.

2. Accounting policies

2.1 Basis of preparation of financial statements

These financial statements were prepared in accordance with Section 1A of the Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102")* as issued in August 2014. The amendments to FRS 102 issued in July 2015 have been applied. The presentation currency of these financial statements is EURO. All amounts in the financial statements have been rounded to the nearest €1.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies. The directors are of the opinion that due to the nature of the business, there are no critical accounting estimates or judgments used in the preparation of these financial statements.

The financial statements have been prepared under the historical cost convention.

The company's financial statements have been prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the company's needs. In assessing going concern, the directors have a reasonable expectation that the company will continue as a going concern and is able to meet all of its obligations as they fall due for a minimum of 12 months from the date of approval of these financial statements.

The following principal accounting policies have been applied:

2.2 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is Euros.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.3 Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, and loans from related parties.

2.6 Current and deferred taxation

The current income tax recoverable is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

The deferred tax asset represents tax losses which are expected to be utilized by the company in the future.

THE DERIVATIVES SERVICE BUREAU (DSB) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.7 Expenses

Cost of Sales	2018	2017
	€	€
Direct costs		
Subcontract Costs	5,617,089	4,028,679
IT Costs	982,313	1,109,506
Total	<u>6,599,402</u>	<u>5,138,185</u>
Administrative expenses	2018	2017
	€	€
Travel Expenses	61,710	49,019
Legal and Professional services	123,760	183,988
Audit Fees	27,777	9,102
Bank Charges	562	475
FX Loss	130,266	21,667
	<u>344,075</u>	<u>298,682</u>

3. Employees

There were no employees of the Company.

4. Debtors

	2018	2017
	€	€
Trade debtors	11,651,154	2,372,424
Deferred tax	-	618,134
Prepayments	47,194	18,598
Accrued income	-	1,172,052
	<u>11,698,348</u>	<u>4,181,208</u>

THE DERIVATIVES SERVICE BUREAU (DSB) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

5. Creditors: Amounts falling due within one year

	2018 €	2017 €
Trade creditors	341,104	175,575
Corporation tax	151,592	-
Other taxation and social security	1,131,801	644,824
Loan	-	1,000,000
Accruals	842,324	1,677,536
Deferred income	10,409,900	5,390,499
Interest payable to loans	133,259	53,260
	13,009,980	8,941,694

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

	2018 €	2017 €
Long Term Loans (due for repayment 31/12/2021)	3,000,000	3,000,000
	3,000,000	3,000,000

7. Share capital

	2018 €	2017 €
Allotted, called up and fully paid		
180 (2017 - 180) Ordinary shares of €1.12 each	202	202
	202	202
Share and premium Account - includes premium received on issue of share capital	1,999,919	1,999,919

8. Related Party

The Association of National Numbering Agencies (ANNA) is the name of the parent of the smallest group for which the consolidated financial statements are drawn up of which the smaller entity is a member and whose Registered office is Avenue Marnix 17, 1000 Brussels, Belgium, company number 0446.525840.