

THE DERIVATIVES SERVICE BUREAU (DSB) LIMITED

REGISTERED NUMBER: 10542063

THE DERIVATIVES SERVICE BUREAU (DSB) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

Registered number 10542063

FOR THE YEAR ENDED 31 December 2019

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STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their strategic report and the financial statements for the year ended 31 December 2019.

Company number: 10542063

Principal Activity

The principal activity of the Company is that of the supply of reference data for Over the Counter (OTC) derivatives, International Securities Identification Number (ISIN), Classification of Financial Instruments (CFI) and Financial Instrument Short Name (FISN), 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.

Review of the Business

2019 was another full year of activity for the DSB, users continue to contribute directly into the service evolution via both an annual consultation process and two industry driven user forums – the Product Committee and Technology Advisory Committee. Engagement with industry has demonstrated that the DSB has become an integrated part of users' business processes, with the DSB receiving significant interest in providing additional OTC derivative reference data related assistance to industry.

The DSB facilitates access for a broad spectrum of users, including credit institutions, small brokerages, private wealth management firms, boutique asset managers, large, multi-segment and/or multi-market trading venues, derivatives houses from across the buy and sell-sides and universal-bank style sell-side institutions with multiple business segments within a single group holding structure.

OTC ISIN data was made available to more than 470 organisations, across 33 jurisdictions, of which over 70% of institutions using the service access the DSB free of cost as Registered Users, 15% as Power Users (organizations with programmatic connectivity), 8% as Infrequent Users (GUI connectivity) and 2% as Standard Users (GUI connectivity). Amongst fee paying users, banks and credit institutions contributed towards 56% of DSB fees, trading venues contribute 33% with the balance comprised of the buy-side, data vendors and others. Fee paying user numbers remained broadly stable since December 2018, with 124 fee paying users in December 2019.

In May 2019, the DSB was designated by the Financial Stability Board (FSB) as the sole Unique Product Identifier (UPI) service provider and operator of the reference data library for the global UPI system. The DSB platform is built to allow for parent-child hierarchies and will be augmented to encompass UPI as part of its implementation.

At its core, the DSB is focused on delivering the ISO principles to fulfil the industry needs for ISO standards while being as cost-effective, transparent and efficient as possible, to help firms further their operational efficiency and manage risk for global markets.

Principal Risks and Uncertainties

The company's focus is on the use of ISIN's for the OTC derivatives market, ensuring that, for 2020, we remain confident of achieving our business plan. In relation to the 2018 accounts, we remarked under the Going Concern heading that we were mindful of the effect of Brexit and whilst this still remains an uncertainty, there are no foreseeable matters which require the Company to take action in relation to the core ISIN service (creation and search activities).

The DSB has undergone the International Standard on Assurance Engagements 3000 (revised) and 3402 ("ISAE 3000 and 3402") and the Institute of Chartered Accountants in England and Wales Technical Release AAF 01/06 ("AAF 01/06") Type I audit, dated 31 December 2019, with respect to the policies, procedures and controls in place, which also enables users to understand the design and implementation of controls. The DSB will continue to work over the forthcoming year to undertake a Type II audit, with the report due Q2 2021, which is intended to establish the DSB's ability to maintain its control procedures over a 12-month period.

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

(CONTINUED)

More recently, the DSB is mindful of the impacts of the COVID-19 pandemic on the local and global economies, however, in the short term, the DSB will not encounter any reductions in revenue or operating profit as our revenues are invoiced annually in advance. It is unclear at this point in time to assess the broader impact of this unprecedented worldwide event but the DSB has implemented robust Business Continuity Plans which have maintained functionality, operations and connectivity without any degradation of service.

For 2020, the DSB will continue to collaborate with industry with respect to the core OTC ISIN service and will also commence UPI pre-implementation efforts to ensure the DSB readiness to align with FSB announced regulatory implementation timelines.

Results and Performance

The DSB has two revenue streams as stated as part of the Directors report. The DSB cost recovery revenue stream has maintained stable user numbers over the last two years and user numbers continue to remain stable for 2020. It is expected both now and in the future that the cost recovery revenue stream will be relatively flat, subject to future enhancements as requested by industry.

The DSB operates to a strict business plan, approved in advance of the forthcoming year, which incorporates those items approved through annual industry consultation and by the DSB Board. The cost basis includes a 20% financial sustainability margin to ensure there are adequate reserves available to address any emergency funding needs, re-investing in the business in accordance with the relevant business plan and providing an appropriate return on the risk capital required to build the service. Revenues received which exceed the business plan forecasts, resulting from intra-year new user agreements, as well as savings through operational cost efficiencies, go to defraying costs for the next contract year. The 2019 business plan benefitted from excess revenue and cost efficiency savings from 2017 resulting in the estimated costs being reduced by €353K, directly impacting user fees.

The DSB's continued focus on cost-efficiency has resulted in operating expenditure savings of €168K against the 2019 business plan. This saving, together with an additional €254K of revenue above the 2019 revenue expectations, due to intra-year new user agreements, will result in a total reduction of €422K to be applied against the 2021 estimated costs.

Subsequent Events:

Subsequent to the year end, the DSB paid principal sum of €1,500,000 to the lenders for the repayments that were due as of 31/12/2018 and 31/12/2019.

By order of the board



E L Kalliomaki

28 September 2020

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

Company number: 10542063

Directors of the company

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

Dr T E Abdel Bary

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 S J Preiss

Ms S T 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.

Proposed dividend

The directors do not recommend the payment of a dividend.

Suppliers

The Board recognises the key role that our suppliers play in ensuring that we deliver a reliable service to our client base. The directors noted that the Company have performed well in relation to our key performance indicators in relation to payment periods.

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.

DIRECTORS' REPORT**FOR THE YEAR ENDED 31 DECEMBER 2019****(CONTINUED)**

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

UNAUDITED ANALYSIS OF STATEMENT OF INCOME AND RETAINED EARNINGS BY CLASS FOR THE YEAR ENDED 31ST DECEMBER 2019

	2019			2018		
	DSB			DSB		
	DSB CR	Commercial	Total	DSB CR	Commercial	Total
	€	€	€	€	€	€
Turnover	9,398,400	1,503,527	10,901,927	9,394,524	1,716,927	11,111,451
Cost of Sales	(6,585,204)	(1,277,496)	(7,862,700)	(5,357,849)	(1,241,553)	(6,599,402)
Gross Profit	2,813,196	226,031	3,039,226	4,036,675	475,374	4,512,049
Administrative Expenses	(315,628)	(2,798)	(318,426)	(341,069)	(3,006)	(344,075)
Operating Profit	2,497,568	223,233	2,720,800	3,695,606	472,368	4,167,974
Interest receivable/(payable)	(239,503)	NIL	(239,503)	(279,452)	NIL	(279,452)
Profit before tax	2,258,065	223,233	2,481,297	3,416,154	472,368	3,888,522
Tax on profit			(471,680)			(769,726)
Profit after tax			2,009,618			3,118,796
Retained earnings/(Losses) at the beginning of the year			646,262			(2,472,534)
			646,262			(2,472,534)
Profit for the year			2,009,618			3,118,796
Retained earnings at the end of the year			2,655,880			646,262

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

(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, on the basis that OTC ISIN remains a regulatory obligation, user numbers have remained stable leading into the 2020 service period and the prudent approach of the board with respect to financial reserves and cash flow management 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 2020, we expect a similar level of financial performance for 2020/2021.

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 OTC 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.

COVID-19 has impacted the global economy and in the short term, 2020, there will no impact on the financial stability or financial performance of the Company. At this moment in time it is too early to assess any particular risk to the going concern of the business suffice to say that the Company has a sufficiently robust balance sheet to mitigate any medium term risk.

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.

By order of the board dated 28 September 2020 and signed on its behalf



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

Dated 28 September 2020

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 prudent;
- 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report was approved by the board on 28 September 2020 and signed on its behalf.



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

Dated 28 September 2020

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 ("the company") for the year ended 31 December 2019 which comprise the Statement of Income, the Balance Sheet, the Statement of Changes in Equity, the Cashflow Statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including 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.

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 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.

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.

Strategic report and Directors' report

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

Our responsibility is to read the strategic report and 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 strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

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

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 8, 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.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

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 Green (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square

London

E14 5GL

28 September 2020

STATEMENT OF INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 €	2018 €
Turnover	2	10,901,927	11,111,451
Cost of sales	3	(7,862,700)	(6,599,402)
Gross profit		3,039,227	4,512,049
Administrative expenses	3	(318,426)	(344,075)
Operating profit		2,720,801	4,167,974
Interest and similar expense	4	(239,503)	(279,452)
Profit before taxation		2,481,298	3,888,522
Tax on profit	5	(471,680)	(769,726)
Profit for the year		2,009,618	3,118,796

There have been no recognised gains or losses other than those shown in the Statement of Income above and therefore no separate statement of total recognised gains and losses has been prepared

The Notes on Pages 15 to 23 form part of these financial statements

Balance Sheet

AS AT 31 DECEMBER 2019

	Note	2019 €	2018 €
Current assets			
Debtors: amounts falling due within one year	6	11,927,425	11,698,348
Cash at bank	7	9,943,580	6,958,015
		<u>21,871,005</u>	<u>18,656,363</u>
Creditors: amounts falling due within one year	8	<u>(16,465,004)</u>	<u>(14,509,980)</u>
Net current assets		<u>5,406,001</u>	<u>4,146,383</u>
Total assets less current liabilities		5,406,001	4,146,383
Creditors: amounts falling due after more than one year	9,11	(750,000)	(1,500,000)
Net assets/(liabilities)		<u>4,656,001</u>	<u>2,646,383</u>
Capital and reserves			
Called up share capital	10	202	202
Share premium account		1,999,919	1,999,919
Profit and loss account		2,655,880	646,262
Shareholder's funds		<u>4,656,001</u>	<u>2,646,383</u>

These financial statements were approved by the board of directors on 28 September 2020 and were signed on its behalf by:



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

The Notes on Pages 15 to 23 form part of these financial statements

Statement of Changes in Equity

	Share capital €	Share Premium €	Retained earnings €	Total equity €
<i>Balance at January 2018</i>	202	1,999,919	(2,472,534)	(472,413)
<i>Changes in equity for the year 2018</i>				
<i>Issue of share capital</i>				
<i>Dividends</i>	-	-	-	-
<i>Income for the year</i>	-	-	3,118,796	3,118,796
<i>Balance at 31 December 2018</i>	202	1,999,919	646,262	2,646,383

<i>Balance at 1 January 2019</i>	202	1,999,919	646,262	2,646,383
Changes in equity for the year 2019				
<i>Issue of share capital</i>	-	-	-	-
<i>Dividends</i>	-	-	-	-
<i>Income for the year</i>	-	-	2,009,618	2,009,618
<i>Balance at 31 December 2019</i>	202	1,999,919	2,655,880	4,656,001

The notes on pages 15 to 23 form part of these financial statements

Cashflow Statement

FOR THE YEAR ENDED 31 DECEMBER 2019

	2019		2018	
	€	€	€	€
Cash flows from operating activities				
Profit for the year	2,009,618		3,118,796	
Adjustments for:				
Amortisation	-			
Interest expense	239,503		279,452	
Taxation	471,680		-	
	<u>2,720,801</u>		<u>3,398,248</u>	
Increase in trade receivables	(229,077)		(7,517,140)	
Increase in inventories	-			
Decrease in short term borrowings	-		(1,000,000)	
Increase in Long term borrowings	(750,000)		(1,500,000)	
Increase in trade payables	1,554,236		6,488,287	
Cash generated from operations	3,295,960		(130,605)	
Interest paid	(158,803)		(199,453)	
Corporation tax paid	(151,592)		-	
<i>Net cash from operating activities</i>		2,985,565		(330,058)
Cash flows from investing activities				
Interest received				
<i>Net cash used in investing activities</i>				-
Cash flows from financing activities				
Effect of exchange rate fluctuation on shares				
Proceeds from long term borrowings	-			
Dividend paid	-			
<i>Net cash used in financing activities</i>	-			
Net increase in cash and cash equivalents		2,985,565		(330,058)
Cash & cash equivalents at start of the period		6,958,015		7,288,073
Cash & cash equivalents at end of the period		<u>9,943,580</u>		<u>6,958,015</u>



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

The notes on pages 15 to 23 form part of these financial statements

Notes

(forming part of the financial statements)

1 Accounting Policies

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. Prior year statutory accounts were prepared in accordance with section 1A of the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). 2019 Financial Statements have been prepared under the historical cost convention and in accordance with 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.

There are no estimates and judgements that have a significant risk of causing material adjustment to the carrying amounts of the assets and liabilities within the financial year.

1.1 Measurement convention

The financial statements have been prepared on the historical cost basis.

Going Concern

The financial statements have been prepared on a going concern basis. OTC ISIN remains a regulatory obligation, thus user renewals remained stable for 2020 resulting in sufficient liquidity reserves. Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of the approval of the financial statements and therefore, have prepared the financial statements on a going concern basis.

Functional and presentation currency

The Company's functional and presentational currency is Euros and all amounts have been rounded to the nearest €.

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. The Foreign Exchange rates that have been used as at 31st December 2019 to translate currencies to Euros are USD/Euro 0.894967 and GBP/Euro 1.1861

1.2 Basic 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.

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price. Trade and other creditors are recognised initially at transaction price. Under the DSB Governance policy document their resides the disputes and resolution clause which is published on the DSB website. The DSB does not provide a general provision for bad debts as all clients subscribe to the DSB general terms and conditions which also includes requirements for settling all debts. To date the DSB has not incurred a bad debt.

1.3 Cash

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

1.4 Turnover

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.

1.5 Expenses

Interest income and Interest expense

Interest income and interest expense are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the Company's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

1.6 Taxation

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Notes*(continued)***2 Turnover**

	2019	<i>2018</i>
	€	€
Sale of services	10,901,927	<i>11,111,451</i>
Total turnover	10,901,927	<i>11,111,451</i>
	2019	<i>2018</i>
	€	€
By activity		
Issuance of ISIN's	10,901,927	<i>11,111,451</i>
	10,901,927	<i>11,111,451</i>
	2019	<i>2018</i>
	€	€
By geographical market		
EU	9,931,495	<i>10,059,222</i>
OCEANIA	117,500	<i>112,500</i>
CANADA	235,000	<i>225,000</i>
USA	617,932	<i>714,729</i>
	10,901,927	<i>11,111,451</i>

Notes

*(continued)***3 Expenses and auditor's remuneration****3.1 Expenses****Cost of Sales**

	2019	<i>2018</i>
	€	€
Direct costs		
Subcontract Costs	6,851,762	<i>5,617,089</i>
IT Costs	1,010,938	<i>982,313</i>
Total	7,862,700	<i>6,599,402</i>

Administrative expenses

	2019	<i>2018</i>
	€	€
Auditors remuneration in respect of the audit of these financial statements	37,979	<i>27,777</i>
Legal and Professional Fees	46,955	<i>45,713</i>
Bank Charges	1,080	<i>562</i>
Travelling and Entertainment	47,876	<i>61,710</i>
Marketing	141,115	<i>78,047</i>
FX Loss	43,421	<i>130,266</i>
	318,426	<i>344,075</i>

3.2 Employees

There were no employees of the Company.

4 Interest and similar expenses

	2019	<i>2018</i>
	€	€
Interest expense on loans	239,503	<i>279,452</i>
Total interest and similar expenses	239,503	<i>279,452</i>

Notes*(continued)***5 Taxation**

	2019	2018
	€	€
Current Tax		
Profit/ (Loss) on ordinary activities	2,481,298	3,888,522
Add: Non- Deductible expense	1,227	-
Total Taxable profit/ (Loss) for the year	<u>2,482,525</u>	<u>3,888,522</u>
Total Taxable Profit/ (Loss) multiplied by the standard rate of corporation tax in the UK of 19% (2018: 19%)	471,680	769,726
Adjustments in respect of prior periods	-	-
Total income tax expense	<u>471,680</u>	<u>769,726</u>

6 Debtors

	2019	2018
	€	€
Trade debtors	11,863,441	11,651,154
Prepayments	63,984	47,194
	<u>11,927,425</u>	<u>11,698,348</u>

7 Cash and cash equivalents

	2019	2018
	€	€
Cash at bank	9,943,580	6,958,015
Cash and cash equivalents per cash flow statement	<u>9,943,580</u>	<u>6,958,015</u>

Notes*(continued)***8 Creditors: amounts falling due within one year**

	2019	2018
	€	€
Trade creditors	121,916	341,104
Corporation tax payable	473,038	151,592
Other taxation and social security	1,142,922	1,131,801
Interest Bearing Loans*	2,250,000	1,500,000
Accruals	843,626	842,324
Deferred income	11,420,900	10,409,900
Interest payable to loans	212,602	133,259
	<u>16,465,004</u>	<u>14,509,980</u>

*In 2020, the entity repaid principal sum of €1,500,000 for payments that were due on 31/12/2018 and 31/12/2019. Refer Note 12 for further details.

9 Creditors: amounts falling due after more than one year

	2019	2018
	€	€
Interest Bearing Loans	<u>750,000</u>	<u>1,500,000</u>

10 Share capital

	2019	2018
	€	€
Allotted, called up and fully paid		
180 Ordinary shares of €1.12 each	<u>202</u>	<u>202</u>
Share and premium Account – includes premium received on issue of share capital	<u>1,999,919</u>	<u>1,999,919</u>

Notes*(Continued)***11 Interest-bearing loans**

This note provides information about the contractual terms of the Company's interest-bearing loans, which are measured at amortised cost.

	2019 €	2018 €
Creditors falling due more than one year	750,000	<i>1,500,000</i>
	750,000	<i>1,500,000</i>
Creditors falling due within less than one year	2,250,000	<i>1,500,000</i>
	2,250,000	<i>1,500,000</i>

Terms and debt repayment schedule

	Currency	Nominal Interest Rate	Year of Maturity	2019 €	2018 €
[Loan 1]	€	8%	2021	250,000	<i>500,000</i>
[Loan 2]	€	8%	2021	250,000	<i>500,000</i>
[Loan 3]	€	8%	2021	250,000	<i>500,000</i>
Total				750,000	<i>1,500,000</i>

As per the terms of the loan agreement, 25% of the principal amount was due for repayment on 31/12/2018 and 31/12/2019. Subsequent to the year end, the entity paid principal sum of €1,500,000 to the lenders, aligning repayments with the terms of the respective loan agreements. Refer to Note 13 for further details.

Notes*(continued)***12 Related Parties**

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. ANNA, as a 60% shareholder in the Company, provides the services of the Managing Director to Company.

Transactions with key management personnel

Total compensation of key management personnel, including the directors in the year amounted to €152,579 (2018: €129,128).

Other related party transactions

	Sales		Expenses incurred from ANNA	
	2019	2018	2019	2018
	€	€	€	€
Entities with control, joint control or significant influence	-	-	6,599	2,306
Entities over which Company has control, joint control or significant influence (subject to wholly owned exemption)	-	-	-	-
Key management personnel of the Company or its Parent	-	-	152,579	129,128
Management entity	-	-	-	-
Other related parties	-	-	159,178	131,434

* ANNA, who is a 60% shareholder of the Company invoices the Company for the services of the MD of the Company.

	Receivables outstanding		Creditors outstanding	
	2019	2018	2019	2018
	€	€	€	€
Entities with control, joint control or significant influence	-	-	6,599	-
Entities over which Company has control, joint control or significant influence (subject to wholly owned exemption)	-	-	-	-
Key management personnel of the Company or its Parent	-	-	-	-
Management entity	-	-	-	-
Other related parties	-	-	-	-
	<u>-</u>	<u>-</u>	<u>6,599</u>	<u>-</u>

13 Post Balance Sheet Events

Loan Repayment

Subsequent to the year end, the DSB paid principal sum of €1,500,000 to the lenders for the repayments that were due of 31/12/2018 and 31/12/2019. This is considered a non-adjusting event.

COVID-19

Since the end of the financial year the entity has had to deal with the COVID-19 occurrence and has done so in line with government guidelines. The Company successfully implemented its Business Continuity Plan (BCP) and there has been no degradation of service to our client base. Due to the nature of the DSB business model there is no commercial or financial impact on the business in 2020 as the issuance of ISIN's is a requirement related to regulatory reporting of OTC derivatives. The Directors see no material effect in the financial performance in the medium term.