

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 2020

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STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their strategic report and the financial statements for the year ended 31 December 2020.

Company number: 10542063

Principal Activity

The principal activity of the Company is that of the supply of reference data, 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. Preparations are also underway to implement the Unique Product Identifier (UPI) in 2022. The DSB also provides some discretionary services to customers, referenced as commercial services.

Review of the Business

2020 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 57% of DSB fees, trading venues contribute 34% with the balance comprised of the buy-side, data vendors and others. Fee paying user numbers remained broadly stable since December 2019 with 127 fee paying users in December 2020.

Following the DSB's designation by the Financial Stability Board (FSB) as the sole UPI service provider and operator of the reference data library for the global UPI system in May 2019, the DSB commenced preparations for UPI implementation. 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 primary focus is on the use of ISINs for the OTC derivatives market, ensuring that we remain confident of achieving our business plan. An additional focus is also on the UPI implementation preparations for which the DSB is mindful of the need for regulatory adoption to ensure a client base exists for the success of the service.

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 II audit, for the 2020 annual period, 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 undertake this assessment on an annual basis.

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

(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 2021, the DSB will continue to collaborate with industry with respect to the core OTC ISIN service and UPI 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 2020 business plan benefitted from excess revenue and cost efficiency savings from 2018 resulting in the estimated costs being reduced by €886K, directly impacting user fees.

The DSB's continued focus on cost-efficiency has resulted in operating expenditure savings of €693K against the 2020 business plan. This saving, together with an additional €424K of revenue above the 2020 revenue expectations, due to intra-year new user agreements, will result in a total reduction of €1,117K to be applied against the 2022 estimated costs.

By order of the board



E L Kalliomaki

Dated 30 June 2021

Directors' Report

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their report and the financial statements for the year ended 31 December 2020.

Company number: 10542063

Directors of the company

The directors who held office were as follows:

Dr T E Abdel Bary (resigned 22 February 2021)

Mr MF Gonzalez

Ms ZAM Gonzalez

Mr M Honegger

Ms EL Kalliomaki

Mr PD Kuhnel

Mr U Meyer

Ms C Palmer (appointed 2 April 2021)

Mr SJ Preiss

Ms LD Stanley (appointed 2 April 2020)

Ms ST Sutton (resigned 2 April 2020)

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 2020

(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 2021 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 2021, we expect a similar level of financial performance for 2021/2022.

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).

COVID-19 has impacted the global economy and in the short term, 2021, 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 appointed and RSM LLP will therefore continue in office.

By order of the board dated 30 June 2021 and signed on its behalf.



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

Dated 30 June 2021

Directors' Report

FOR THE YEAR ENDED 31 DECEMBER 2020

(CONTINUED)

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 30 June 2021 and signed on its behalf.



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

Dated 30 June 2021

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 2020 which comprise the statement of income, balance sheet, statement of changes in equity, cashflow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

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

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

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

Use of our report

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



Neil Griggs (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

25 Farringdon Street

London

EC4A 4AB

Date 7 July 2021

STATEMENT OF INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 €	2019 €
Turnover	3	12,077,209	<i>10,901,927</i>
Cost of sales	4	(8,768,208)	<i>(7,862,700)</i>
Gross profit		3,309,001	<i>3,039,227</i>
Administrative expenses	4	(334,697)	<i>(318,426)</i>
Operating profit		2,974,304	<i>2,720,801</i>
Interest and similar expense	5	(158,142)	<i>(239,503)</i>
Profit before taxation		2,816,162	<i>2,481,298</i>
Tax on profit	6	(535,071)	<i>(471,680)</i>
Profit for the year		2,281,091	<i>2,009,618</i>

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 2020

	Note	2020 €	2019 €
Current assets			
Debtors: amounts falling due within one year	7	11,347,992	11,927,425
Cash at bank	8	10,737,303	9,943,580
		<u>22,085,295</u>	<u>21,871,005</u>
Creditors: amounts falling due within one year	9	<u>(15,148,203)</u>	<u>(16,465,004)</u>
Net current assets		<u>6,937,092</u>	<u>5,406,001</u>
Total assets less current liabilities		6,937,092	5,406,001
Creditors: amounts falling due after more than one year	10	-	(750,000)
Net assets/(liabilities)		<u>6,937,092</u>	<u>4,656,001</u>
Capital and reserves			
Called up share capital	12	202	202
Share premium account		1,999,919	1,999,919
Profit and loss account		4,936,971	2,655,880
Shareholder's funds		<u>6,937,092</u>	<u>4,656,001</u>

These financial statements were approved by the board of directors on 30 June 2021 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 1 January 2019</i>	202	1,999,919	646,262	2,646,383
<i>Changes in equity for the year 2019</i>				
<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

<i>Balance at 1 January 2020</i>	202	1,999,919	2,655,880	4,656,001
Changes in equity for the year 2020				
<i>Issue of share capital</i>	-	-	-	-
<i>Dividends</i>	-	-	-	-
<i>Income for the year</i>	-	-	2,281,091	2,281,091
<i>Balance at 31 December 2020</i>	202	1,999,919	4,936,971	6,937,092

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

Cashflow Statement

FOR THE YEAR ENDED 31 DECEMBER 2020

	2020		2019	
	€	€	€	€
Cash flows from operating activities				
Profit for the year	2,281,091		2,009,618	
Adjustments for:				
Interest expense	158,142		239,503	
Taxation	535,071		471,680	
	2,974,304		2,720,801	
Decrease/(increase) in trade receivables	579,432		(229,077)	
Decrease in long term borrowings	(2,250,000)		(750,000)	
Increase in trade payables	562,968		1,554,236	
Cash generated from operations	1,866,704		3,295,960	
Interest paid	(371,402)		(158,803)	
Corporation tax paid	(701,579)		(151,592)	
<i>Net cash from operating activities</i>		793,723		2,985,565
Net increase in cash and cash equivalents		793,723		2,985,565
Cash & cash equivalents at start of the period		9,943,580		6,958,015
Cash & cash equivalents at end of the period		10,737,303		9,943,580

Analysis of changes in net debt:

	At January 2020	Cash flows	Non cash changes	At December 2020
	€	€	€	€
Cash	9,943,580	793,723	-	10,737,303
Borrowings				
Debt due within one year	(2,250,000)	2,250,000	(750,000)	(750,000)
Debt due after one year	(750,000)	-	750,000	-
	(3,000,000)	2,250,000	-	(750,000)
Total	6,943,580	3,043,723	-	9,987,303


E L Kalliomaki

Director
Cannon Place
78 Cannon Street
London
EC4N 6HL

Dated 30 June 2021

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 2021 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 2020 to translate currencies to Euros are USD/Euro 0.818760 and GBP/Euro 1.1199

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 Segmented Statement of Income**

This table represents the breakdown between DSB OTC ISIN Cost Recovery (DSB CR), OTC ISIN Commercial and UPI Cost Recovery activities. The DSB CR relates to the core cost recovery service, the OTC ISIN Commercial provides additional optional services on top of the DSB CR service and the UPI cost recovery service is currently focused on development and implementation which will continue until the service launch in 2022. The revenue and costs allocated are specific to each reportable segment so no judgement is made to apportion these.

AUDITED ANALYSIS OF STATEMENT OF INCOME AND RETAINED EARNINGS BY CLASS FOR THE YEAR ENDED 31ST DECEMBER 2020

	2020				2019		
	OTC ISIN			Total	OTC ISIN		
	DSB CR	Commercial	UPI		DSB CR	Commercial	Total
	€	€	€	€	€	€	
Turnover	10,586,900	1,490,309	-	12,077,209	9,398,400	1,503,527	10,901,927
Cost of Sales	(7,037,312)	(1,169,257)	(561,639)	(8,768,208)	(6,585,204)	(1,277,496)	(7,862,700)
Gross Profit	3,549,588	321,052	(561,639)	3,309,001	2,813,196	226,031	3,039,227
Administrative Expenses	(278,861)	(4,989)	(50,847)	(334,697)	(315,628)	(2,798)	(318,426)
Operating Profit	3,270,727	316,063	(612,486)	2,974,304	2,497,568	223,233	2,720,801
Interest payable	(158,142)	NIL	NIL	(158,142)	(239,503)	NIL	(239,503)
Profit before tax	3,112,585	316,063	(612,486)	2,816,162	2,258,065	223,233	2,481,298
Tax on profit				(535,071)			(471,680)
Profit after tax				2,281,091			2,009,618
Retained earnings/(Losses) at the beginning of the year				2,655,880			646,262
				2,655,880			646,262
Profit for the year				2,281,091			2,009,618
Retained earnings at the end of the year				4,936,971			2,655,880

Notes*(continued)***3 Turnover**

	2020	<i>2019</i>
	€	€
Sale of services	12,077,209	<i>10,901,927</i>
Total turnover	12,077,209	<i>10,901,927</i>
	2020	<i>2019</i>
	€	€
By activity		
Issuance of ISIN's	12,077,209	<i>10,901,927</i>
	12,077,209	<i>10,901,927</i>
	2020	<i>2019</i>
	€	€
By geographical market based on location of customer		
EU	10,976,711	<i>9,931,495</i>
ASIA	3,300	<i>-</i>
OCEANIA	163,000	<i>117,500</i>
CANADA	260,800	<i>235,000</i>
USA	673,398	<i>617,932</i>
	12,077,209	<i>10,901,927</i>

Notes*(continued)***4 Expenses and auditor's remuneration****4.1 Expenses****Cost of Sales**

	2020	2019
	€	€
Direct costs		
Subcontract Costs	7,759,859	6,851,762
IT Costs	1,008,349	1,010,938
Total	8,768,208	7,862,700

	2020	2019
	€	€
Administrative expenses		
Auditors remuneration in respect of the audit of these financial statements	46,143	37,979
Legal and Professional Fees	60,702	46,955
Bank Charges	972	1,080
Travelling and Entertainment	16,518	47,876
Marketing	204,942	141,115
FX Loss	5,420	43,421
	334,697	318,426

4.2 Employees

There were no employees of the Company.

5 Interest and similar expenses

	2020	2019
	€	€
Interest expense on loans	158,142	239,503
Total interest and similar expenses	158,142	239,503

Notes*(continued)***6 Taxation**

	2020	2019
	€	€
Current Tax		
Profit on ordinary activities	2,816,163	2,481,298
Add: Non- Deductible expense	-	1,227
Total Taxable profit for the year	<u>2,816,163</u>	<u>2,482,525</u>
Total Taxable profit multiplied by the standard rate of corporation tax in the UK of 19% (2019: 19%)	535,071	471,680
Adjustments in respect of prior periods	-	-
Total income tax expense	<u>535,071</u>	<u>471,680</u>

7 Debtors

	2020	2019
	€	€
Trade debtors	11,255,680	11,863,441
Prepayments	92,312	63,984
	<u>11,347,992</u>	<u>11,927,425</u>

8 Cash and cash equivalents

	2020	2019
	€	€
Cash at bank	10,737,303	9,943,580
Cash and cash equivalents per cash flow statement	<u>10,737,303</u>	<u>9,943,580</u>

Notes*(continued)***9 Creditors: amounts falling due within one year**

	2020	<i>2019</i>
	€	<i>€</i>
Trade creditors	100,619	<i>121,916</i>
Corporation tax payable	305,871	<i>473,038</i>
Other taxation and social security	1,123,769	<i>1,142,922</i>
Interest Bearing Loans*	750,000	<i>2,250,000</i>
Accruals	859,594	<i>843,626</i>
Deferred income	12,008,350	<i>11,420,900</i>
Interest payable to loans	-	<i>212,602</i>
	<u>15,148,203</u>	<i><u>16,465,004</u></i>

*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 11 for further details.

10 Creditors: amounts falling due after more than one year

	2020	<i>2019</i>
	€	<i>€</i>
Interest Bearing Loans	-	<i>750,000</i>
	<u>-</u>	<i><u>750,000</u></i>

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.

	2020	2019
	€	€
Creditors falling due more than one year	-	750,000
	<u>-</u>	<u>750,000</u>
Creditors falling due within less than one year	750,000	2,250,000
	<u>750,000</u>	<u>2,250,000</u>

Terms and debt repayment schedule

	Currency	Nominal Interest Rate	Year of Maturity	2020	2019
				€	€
Herausberggemeinschaft Wertpapier-Mitteilungen Keppler Lehman GmbH & Co KG	€	8%	2021	250,000	250,000
S&P Global Finance Luxembourg S.A.R.L.	€	8%	2021	250,000	250,000
SIX Group Ltd	€	8%	2021	250,000	250,000
Total				<u>750,000</u>	<u>750,000</u>

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. At the beginning of 2020, the entity paid principal sum of €1,500,000 to the lenders, aligning repayments with the terms of the respective loan agreements.

12 Share Capital

	2020	2019
	€	€
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)***13 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 the Company.

Transactions with key management personnel

Total compensation of key management personnel, including the directors in the year amounted to €143,004 (2019: €152,579).

Other related party transactions

	Sales		Expenses incurred from ANNA	
	2020	2019	2020	2019
	€	€	€	€
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	-	-	143,004	152,579
Management entity [*]	-	-	-	-
Other related parties	3,300	3,000	-	-
	3,300	3,000	143,004	159,178

* 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	
	2020	2019	2020	2019
	€	€	€	€
Entities with control, joint control or significant influence	-	-	6,599	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	[#] 3,300	3,300	750,000	2,462,602
	3,300	3,300	756,599	2,469,201

This balance relates to Euroclear SA/NV a shareholder of The Derivatives Service Bureau (DSB) Limited