

REGISTERED NO. 03010097

DST REALTY (UK) LIMITED

REPORT AND FINANCIAL STATEMENTS

For the year ended 31st December 2006

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DST REALTY (UK) LIMITED

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DST REALTY (UK) LIMITED

REPORT OF THE DIRECTORS

For the year ended 31st December 2006

The Directors submit their report and the audited financial statements of the company for the year ended 31st December 2006

PRINCIPAL ACTIVITY

The company's principal activity is that of real estate operations. This company owns properties that are leased to DST International Limited, the immediate parent company, DST International Billing Limited and external clients

RESULTS AND DIVIDENDS

The profit for the year after tax was £50,000 (2005 Loss £10,000) will be transferred to retained reserves. No dividends were paid during the year (2005 Nil). The directors do not recommend the payment of a final dividend (2005 Nil).

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The company's assets and operations have not changed significantly during 2006. No significant changes to the business are foreseen in the next year. A building with a net book value of £11,920,000 at year end 2006 was externally valued at £14,500,000 in January 2006.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year and up to the date of signing these financial statements were

T Abraham (Appointed 27 March 2007)
S Cooke
J M Winn (Resigned 27 March 2007)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 those 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that 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 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DST REALTY (UK) LIMITED

REPORT OF THE DIRECTORS (Cont'd)

For the year ended 31st December 2006

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who is a director at the date of approval of this report confirms that

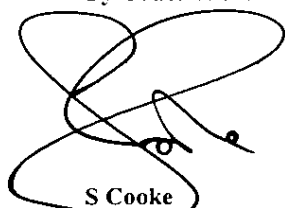
- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- each director has taken all the steps that he/she ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985

AUDITORS

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting

By Order of the Board

A handwritten signature in black ink, appearing to be 'S Cooke', written over a circular stamp or seal.

S Cooke
Company Secretary

23 October 2007

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

DST REALTY (UK) LIMITED (Cont'd)

For the year ended 31st December 2006

We have audited the financial statements of DST Realty (UK) Limited for the year ended 31 December 2006 which comprise the Profit and Loss Account, Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985 and
- the information given in the Directors' Report is consistent with the financial statements.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
West London
23 October 2007

DST REALTY (UK) LIMITED**PROFIT AND LOSS ACCOUNT****For the year ended 31st December 2006**

	Note	2006 £000	2005 £000
Turnover and gross profit	2	1,049	1,048
Administrative expenses		<u>(366)</u>	<u>(395)</u>
Operating profit	3	683	653
Interest receivable and similar income	5	122	98
Interest payable and similar charges	6	<u>(603)</u>	<u>(632)</u>
Profit on ordinary activities before taxation		202	119
Tax charge on profit on ordinary activities	7	<u>(152)</u>	<u>(129)</u>
Retained profit / (loss) for the financial year	14	<u>50</u>	<u>(10)</u>

All amounts relate to continuing operations

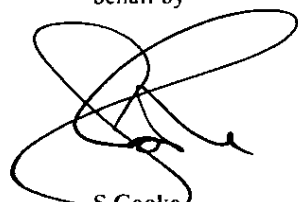
There is no material difference between the profit on ordinary activities before taxation and the profit for the year stated above and their historical costs equivalent

The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented

DST REALTY (UK) LIMITED**BALANCE SHEET****For the year ended 31st December 2006**

		2006		2005	
	Note	£000	£000	£000	£000
Fixed Assets					
Tangible assets	8	<u>12,945</u>	12,945	<u>13,275</u>	13,275
Current Assets:					
Debtors	9	2,108		1,561	
Creditors.					
Amounts falling due within one year	10	<u>(744)</u>		<u>(577)</u>	
Net Current Assets			1,364		984
Creditors:					
Amounts falling due after more than one year	11		(10,481)		(10,481)
Net Assets			<u>3,828</u>		<u>3,778</u>
Capital and reserves					
Called up share capital	13		4		4
Share premium account	14		3,496		3,496
Profit and loss account	14		<u>328</u>		<u>278</u>
Total Equity Shareholders' Funds	15		<u>3,828</u>		<u>3,778</u>

The financial statements on pages 1 to 10 were approved by the directors on 23 October 2007 and were signed on its behalf by



S Cooke
Director

DST REALTY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2006

1 ACCOUNTING POLICIES

(a) Accounting Convention

These financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. The principal accounting policies that have been consistently applied are set out below.

(b) Fixed assets and depreciation

Fixed assets are stated at the cost of acquisition less accumulated depreciation. Depreciation is provided to write off the cost less estimated residual values, of all tangible fixed assets over their expected useful economic life. Depreciation is generally calculated on a straight line basis on the original cost of the assets over the following periods:

Freehold Property	30 years
Equipment & Furniture	5-10 years
Freehold Land	is not depreciated

(c) Turnover

Rental income, in respect of operating leases, is recognised as turnover in the profit and loss account on a straight line basis over the period to which it relates. Rental income received for future periods is deferred to the period to which it relates.

(d) Deferred Tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it is more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

(e) Cashflow Statement and Related Parties

The company is a wholly owned subsidiary of DST Group LLP and is included in the consolidated financial statements of DST Group LLP, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (Revised 1996). The company has taken advantage of the exemption under paragraph 3(c) from the provisions of FRS 8, 'Related Party Disclosures', which requires the disclosure of the details of material transactions between the reporting entity and any related parties, on the grounds that it is a wholly owned subsidiary of groups headed by DST Group LLP and DST Systems Inc.

DST REALTY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For the year ended 31st December 2006

2 TURNOVER

All turnover derives from a single class of business within the United Kingdom. The company has entered into agreements to lease its real estate on operating leases. The net book value of assets held for use as operating leases was £12,943,000 (2005: £13,273,000). The aggregate amount of rentals received under operating leases was £1,049,000 (2005: £1,043,000).

3 OPERATING PROFIT

Operating profit is stated after charging	2006 £000	2005 £000
Auditors' remuneration - audit services	7	7
Depreciation - owned assets	<u>330</u>	<u>331</u>

4 DIRECTORS EMOLUMENTS

None of the directors received any emoluments for their services as directors of the company during the year (2005: None). There were no employees of the company during the year (2005: Nil).

5 INTEREST RECEIVABLE AND SIMILAR INCOME

	2006 £000	2005 £000
Interest receivable from immediate parent company	<u>122</u>	<u>98</u>

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2006 £000	2005 £000
Interest payable to immediate parent company	<u>603</u>	<u>632</u>

7 TAX ON PROFIT ON ORDINARY ACTIVITIES

(a) Analysis of the charge in the year

Current Tax		
UK Corporation tax on profit of the year (2005: 30%)	156	129
Adjustments in respect of previous periods	-	2
Total Current Tax Charge	<u>156</u>	<u>131</u>
Deferred tax:		
Origination and reversal of timing differences	(4)	(2)
Total deferred tax credit (Note 12)	<u>(4)</u>	<u>(2)</u>
Total tax charge on profit on ordinary activities	<u>152</u>	<u>129</u>

DST REALTY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For the year ended 31st December 2006

7. TAX ON PROFIT ON ORDINARY ACTIVITIES (Cont'd)		2006 £000	2005 £000
(b) Factors affecting tax charge for the year			
The tax assessed for the year is higher (2005 higher) than the standard rate of corporation tax in the UK (30%) The differences are explained below			
Profit on ordinary activities before tax		202	119
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2005 30%)		61	36
<i>Effects of</i>			
Expenses not deductible for tax purposes		91	91
Depreciation in excess of capital allowances		4	3
Adjustments in respect of prior periods		-	2
Group relief claimed from other companies		-	(1)
Current tax charge for the year		156	131
8 TANGIBLE FIXED ASSETS			
	Equipment & Furniture £000	Freehold Land & Property £000	Total £000
Cost			
At 1st January and 31st December 2006	3	14,253	14,256
Accumulated Depreciation:			
At 1st January 2006	1	980	981
Charge in year	-	330	330
At 31st December 2006	1	1,310	1,311
Net Book Value.			
At 31st December 2006	2	12,943	12,945
At 31st December 2005	2	13,273	13,275

DST REALTY (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (Cont'd)****For the year ended 31st December 2006**

9 DEBTORS	2006 £000	2005 £000
Trade debtors	50	8
Amounts owed by immediate parent undertaking	336	1,257
Amounts owed by group undertakings	1,713	291
Other debtors	5	5
Deferred taxation (note 12)	4	-
	<u>2,108</u>	<u>1,561</u>

Intercompany debtors are unsecured, interest bearing at the US Prime rate and repayable on demand

10 CREDITORS. AMOUNTS FALLING DUE WITHIN ONE YEAR	2006 £000	2005 £000
Trade creditors	5	15
Amounts owed to group undertakings	295	253
Corporation Tax	425	267
Accruals and deferred income	19	42
	<u>744</u>	<u>577</u>

Intercompany creditors are unsecured, interest bearing at the US Prime rate and repayable on demand

11 CREDITORS. AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2006 £000	2005 £000
Amounts owed to immediate parent undertaking	<u>10,481</u>	<u>10,481</u>

The amount shown above represents monies due to DST International Limited. Interest is payable at the rate per annum equal to 1% above the bank base rate. The loan is repayable in full on the expiry of 15 years from the date of the formal loan agreement which was in December 2004.

12 DEFERRED TAXATION ASSET	2006 £000	2005 £000
Deferred tax assets recognized are as follows		
Accelerated capital allowances	<u>4</u>	<u>-</u>
	<u>4</u>	<u>-</u>
At 1st January	-	-
Credit to profit and loss account	<u>4</u>	<u>-</u>
Asset at 31st December	<u>4</u>	<u>-</u>

DST REALTY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For the year ended 31st December 2006

13 CALLED UP SHARE CAPITAL	2006 £	2005 £
(A) AUTHORISED 1 000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
(B) ALLOTTED, CALLED UP AND FULLY PAID 3,502 Ordinary shares of £1 each	<u>3,502</u>	<u>3,502</u>
14 OTHER RESERVES	Share Premium Account £000	Profit & Loss Account £000
At 1st January 2006	3,496	278
Profit for the financial year	<u>-</u>	<u>50</u>
At 31st December 2006	<u>3,496</u>	<u>328</u>
15. RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS	2006 £000	2005 £000
Opening equity shareholders' funds	3,778	3,788
(Loss) / profit for the financial year	<u>50</u>	<u>(10)</u>
Closing equity shareholders' funds	<u>3,828</u>	<u>3,778</u>

16 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking is DST International Limited

The ultimate parent undertaking and controlling party is DST Systems Inc , a company incorporated in the USA

DST Systems Inc is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2006. The consolidated financial statements of DST Systems Inc are available from 333 W 11th Street Kansas City, Missouri, 64105-1594, USA

DST Group LLP is the parent undertaking of the smallest group of undertakings to consolidate these financial statements. The consolidated financial statements of DST Group LLP can be obtained from DST House, St Mark's Hill, Surbiton, Surrey, KT6 4QD, UK