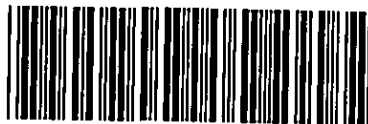


Company Registration Number 03010097

**DST REALTY (UK) LIMITED**

**DIRECTOR'S REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

MONDAY



\*L2HZR0T5\*

L15

30/09/2013

#348

COMPANIES HOUSE

# **DST REALTY (UK) LIMITED**

## **CONTENTS**

	<b>Page</b>
Director and advisers	<b>1</b>
Report of the director	<b>2-3</b>
Independent auditors' report to the members of DST Realty (UK) Limited	<b>4-5</b>
Profit and loss account	<b>6</b>
Balance sheet	<b>7</b>
Notes to the financial statements	<b>8-13</b>

# **DST REALTY (UK) LIMITED**

## **DIRECTOR AND ADVISERS**

<b>Director</b>	G Givens
<b>Company Registration Number</b>	04220397
<b>Registered office</b>	DST House St Mark's Hill Surbiton Surrey United Kingdom KT6 4QD
<b>Independent Auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors The Atrium, 1 Harefield Road, Uxbridge, Middlesex, UB8 1EX
<b>Bankers</b>	Lloyds TSB Bank Plc 25 Gresham Street London EC2V 7HN

# **DST REALTY (UK) LIMITED**

## **REPORT OF THE DIRECTOR FOR THE YEAR ENDED 31 DECEMBER 2012**

The director presents his report and the audited financial statements of the company for the year ended 31 December 2012

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

### **Principal activities**

The company's principal activity continued to be that of real estate operations. The company owns properties that were leased in the period to DST Output (Bristol) Limited, a fellow group subsidiary and external clients

### **Review of business**

The turnover for the financial year was £770,000 (2011 £770,000)

The profit for the financial year of £175,000 (2011 profit £176,000) will be transferred to retained reserves

### **Independent Auditors**

PricewaterhouseCoopers LLP have expressed their willingness to continue in office and are deemed to be reappointed under Section 487(2) of the Companies Act 2006

### **Director**

The director who served during the year and up to the date of signing these financial statements is

G Givens

### **Directors' Indemnities**

DST Systems Inc maintains liability insurance for its directors. For the purposes of the Companies Act 2006, DST Systems Inc provides indemnity insurance for its directors and company secretary for qualifying third party provisions

## **DST REALTY (UK) LIMITED**

### **REPORT OF THE DIRECTOR FOR THE YEAR ENDED 31 DECEMBER 2012 (CONTINUED)**

#### **Statement of Director's Responsibilities**

The director is responsible for preparing the director's report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is 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 director is required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The director is 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. He is 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.

#### **Director's indemnities**

DST Systems Inc. maintains liability insurance for its directors. For the purposes of the Companies Act 2006, DST Systems Inc. provides indemnity insurance for its directors and company secretary for qualifying third party provisions.

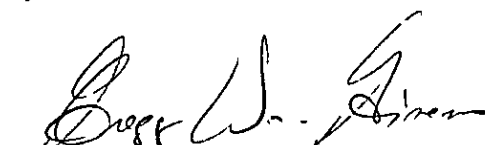
#### **Disclosure of information to auditors**

Each of the persons who are 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
- the director has taken all the steps that he 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 representation is made in accordance with Section 418 of the Companies Act 2006.

By order of the board



G. Givens  
Director

27/9/2013

# **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DST REALTY (UK) LIMITED**

## **FOR THE YEAR ENDED 31 DECEMBER 2012**

We have audited the financial statements of DST Realty (UK) Limited for the year ended 31 December 2012 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

### **Respective responsibilities of directors and auditors**

As explained more fully in the statement of directors' responsibilities set out on page 3, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the report of the director for the financial year for which the financial statements are prepared is consistent with the financial statements.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DST REALTY (UK) LIMITED

### Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the director was not entitled take advantage of the small companies' exemption in preparing the Directors' report



Jaskamal Sarai (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Uxbridge

27/9/2013

# DST REALTY (UK) LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2012

		2012	2011
	Note	£000	£000
Turnover	2	770	770
Cost of sales		-	-
<b>Gross profit</b>		<b>770</b>	<b>770</b>
Administrative expenses		(238)	(242)
<b>Operating profit</b>	3	<b>532</b>	<b>528</b>
Interest payable and similar charges	6	(238)	(111)
<b>Profit on ordinary activities before taxation</b>		<b>294</b>	<b>417</b>
Tax on profit on ordinary activities	7	(119)	(241)
<b>Profit for the financial year</b>	14	<b>175</b>	<b>176</b>

All amounts relate to continuing operations

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

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



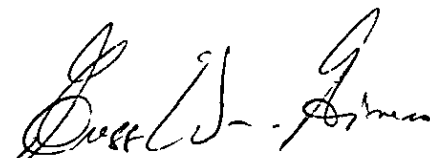
# DST REALTY (UK) LIMITED

## BALANCE SHEET AS AT 31 DECEMBER 2012

	Note	2012 £'000	2011 £'000
<b>Fixed assets</b>			
Tangible assets	8	<u>9,401</u>	<u>9,592</u>
<b>Current assets</b>			
Debtors	9	<u>6,171</u>	<u>6,386</u>
Creditors amounts falling due within one year	11	<u>(1,349)</u>	<u>(1,450)</u>
<b>Net current assets</b>		<u>4,822</u>	<u>4,936</u>
<b>Total assets less current liabilities</b>		<u>14,223</u>	<u>14,528</u>
Creditors amounts falling due after more than one year	12	<u>(4,400)</u>	<u>(4,880)</u>
<b>Net assets</b>		<u>9,823</u>	<u>9,648</u>
<b>Capital and reserves</b>			
Called-up share capital	13	352	352
Share premium account	14	3,496	3,496
Profit and loss account	14	<u>5,975</u>	<u>5,800</u>
<b>Total shareholders' funds</b>	15	<u>9,823</u>	<u>9,648</u>

The notes on pages 8 to 13 form part of the financial statements

Approved by the board of directors and authorised for issue on 27 / 9 / 2013

  
G Givens  
Director

Company Registration Number 03010097

NOTES TO THE FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 31 DECEMBER 2012

**(a) Accounting convention**

**(b) Tangible fixed assets and depreciation**

**Freehold land is not depreciated**

**(d) Deferred tax**

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.

The Company is a wholly owned subsidiary of DST Output Limited and is included in the consolidated financial statements of DST Output Limited 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 is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the DST Output Group or investees of the group.

# **DST REALTY (UK) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 December 2012 (CONTINUED)**

### **2 Turnover**

All turnover is derived from a single class of business within the United Kingdom. The company leases its real estate to group companies and external clients under operating leases. The net book value of assets held for use as operating leases was £9,401,000 (2011: £9,592,000). The aggregate amount of rentals received under operating leases was £770,000 (2011: £770,000).

### **3 Operating profit**

	2012	2011
	£000	£000
Operating profit is stated after charging		
Auditors' remuneration – audit services	16	10
Depreciation – owned tangible fixed assets	191	191

### **4 Directors emoluments**

The director did not receive any emoluments for his services as director of the company during the year (2011: none). The director was remunerated by other group companies and no recharges were made. It is not possible to apportion the proportion of the director's work that was done for the company.

### **5 Staff numbers and costs**

There were no employees of the company during the year (2011: nil).

### **6 Interest payable and similar charges**

	2012	2011
	£'000	£'000
Bank interest	238	111

# DST REALTY (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 December 2012 (CONTINUED)

### 7 Tax charge on profit on ordinary activities

	2012	2011
	£000	£000
<b>Analysis of the charge in the year</b>		
<b>Current tax</b>		
UK corporation tax on profit of the year	119	162
Adjustment in respect of prior years	-	67
	<u>119</u>	<u>229</u>
<b>Deferred tax</b>		
Adjustment in respect of prior year	-	12
	<u>-</u>	<u>12</u>
<b>Total tax charge on profit on ordinary activities</b>	<u>119</u>	<u>241</u>
<b>Factors affecting tax charge for the year</b>		
The tax assessed for the year is higher than the standard rate of corporation tax in the UK 24.5% (2011: 26.5%). The differences are explained below		
<b>Profit on ordinary activities before taxation</b>	<u>294</u>	<u>417</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.5% (2011: 26.5%)	72	111
<b>Effects of</b>		
Expenses not deductible for tax purposes	47	51
Adjustment in respect of prior year	-	67
	<u>-</u>	<u>67</u>
<b>Current tax charge for the year</b>	<u>119</u>	<u>229</u>

### Factors which may affect future tax charges

The Finance Bill 2012, enacted as Finance Act 2012 in July 2012, reduced the main corporation tax rate from 26% to 24% with effect from 1 April 2012. In addition, the Finance Act 2012 included a further reduction of the main corporation tax rate to 23%, with effect from 1 April 2013.

Further changes to the UK corporation tax system were announced in the March 2013 UK Budget Statement: the UK main rate of corporation tax was reduced from 22% to 21% from 1 April 2014 and a further reduction in the main corporation tax rate from 21% to 20% from 1 April 2015 is included in the Finance Bill 2013. These further changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

The directors are of the opinion that the financial effect of these future rate reductions will not be significant.

# DST REALTY (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 December 2012 (CONTINUED)

### 8 Tangible fixed assets

	2012	2011
	£000	£000
<b>Cost</b>		
At 1 January and 31 December 2012	10,402	10,402
<b>Accumulated depreciation</b>		
At 1 January 2012	810	810
Charge in the year	191	191
<b>At 31 December 2012</b>	<b>1,001</b>	<b>1,001</b>
<b>Net book value</b>		
At 31 December 2012	9,401	9,401
At 31 December 2011	9,592	9,592

The freehold land and property is subject to security arising from a £4.88 million (2011: £5.12 million) loan with Lloyds TSB PLC

### 9 Debtors

	2012	2011
	£000	£000
Trade debtors	2	130
Amounts owed by group undertakings	6,110	6,188
Other debtors	59	68
	<b>6,171</b>	<b>6,386</b>

Intercompany debtors are unsecured, repayable on demand and do not attract interest

### 10 Creditors: Amounts falling due within one year

	2012	2011
	£000	£000
Bank overdraft	-	160
Bank loan	480	480
Trade creditors	-	4
Amounts owed to group undertakings	609	517
Other taxation and social security	23	23
Other creditors	26	48
Accruals and deferred income	211	218
	<b>1,349</b>	<b>1,450</b>

Intercompany creditors are unsecured, repayable on demand and do not attract interest

# DST REALTY (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 December 2012 (CONTINUED)

### 11 Creditors, Amounts falling due after more than one year

	2012	2011
	£000	£000
Bank loan	<u>4,400</u>	<u>4,880</u>

On 30 June 2011, the company undertook a mortgage with Lloyds TSB totalling £5.6 million in relation to the freehold property held. The mortgage is secured on the property and bears interest at LIBOR + 2.45% per annum. It is subject to financial covenants and is repayable over 7 years. Repayment terms are £120,000 per quarter with a final balloon payment in 2018.

This finance arrangement exposes the company to interest rate risk, as the debt is subject to a floating interest rate of LIBOR + 2.45% per annum. The exposure is hedged with an interest rate swap contract. The fair value of the instrument at 31 December 2012 was a loss of £226,589 (2011 loss £147,485).

### 12 Deferred tax

	2012	2011
	£000	£000
At 1 January	-	12
Adjustment in respect of prior year	-	(12)
At 31 December 2012	<u>-</u>	<u>-</u>

### 13 Share capital

	2012	2011
	£	£
Allotted, called up and fully paid		
352,000 ordinary shares of £1 each	<u>352,000</u>	<u>352,000</u>

### 14 Reserves

	Share premium account	Profit and loss account
	£'000	£'000
At 1 January 2012	3,496	5,800
Profit for the financial year	-	175
At 31 December 2012	<u>3,496</u>	<u>5,975</u>

# DST REALTY (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 December 2012 (CONTINUED)

### 15 Reconciliation of movements in shareholders' funds

	2012	2011
	£'000	£'000
Opening shareholders' funds	9,648	9,472
Profit for the financial year	175	176
Closing shareholders' funds	<u>9,823</u>	<u>9,648</u>

### 16 Ultimate parent undertaking and controlling party

The immediate parent undertaking is DST Output Limited, a company incorporated in England and Wales

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

DST Output Limited is the parent undertaking of the smallest group of undertakings to consolidate these financial statements. The consolidated financial statements of DST Output Limited can be obtained from Evolution House, Choats Road, Dagenham, Essex, RM9 6BF

DST Systems Inc is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2012. The consolidated financial statements of DST Systems Inc are available from 333 W 11th Street, Kansas City, Missouri, 64105-1594, USA