

CREST Depository Limited

Directors' Report and Financial Statements for the year ended 31 December 2020



Registered Company Number: 3133256

TABLE OF CONTENTS

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020	1
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CREST DEPOSITORY LIMITED	5
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020	10
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020	11
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020	12
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020	13
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020	14

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors submit their report and the audited financial statements of CREST Depository Limited (the Company) for the year ended 31 December 2020. The Company is a private limited company and is domiciled and incorporated in England and Wales. The address of its registered office is 33 Cannon Street, London, EC4M 5SB.

Principal activities and risks

During the year under review, the Company issued CREST Depository Interests (CDI's) representing international securities held by its subsidiary companies, CREST International Nominees Limited and CIN (Belgium) Limited, on behalf of the customers of Euroclear UK & Ireland Limited, its immediate parent company, which operates the CREST settlement system. No change in activity is foreseen. The Company's risks are integral to the activities of, and are managed by, its parent company Euroclear UK & Ireland Limited.

2020 was an extraordinary year, with the impact of the COVID-19 global pandemic compounding the already uncertain geo-political environment as the UK formally withdrew from the European Union (the EU) on 31 January 2020 and entered a transition period for the remainder of the year, whilst negotiating a future trade agreement with the EU. The impact of these on the Company has been assessed and monitored as part of its participation in the Euroclear UK & Ireland Limited group.

The first months of 2020 saw the emergence and world-wide spread of the COVID-19 Coronavirus which quickly evolved into a global pandemic. The Euroclear UK & Ireland Limited group, together with the wider Euroclear group, invoked remote home-working for the majority of functions as from 16 March 2020 as part of its business continuity arrangements. At this time, there was a sharp and sustained increase in financial market volatility, and hence an increase in settlement volumes, as markets reacted to the evolving pandemic. Whilst market-wide settlement efficiency initially suffered a short-term decline as the majority of financial market participants invoked remote working for their operations, the Euroclear UK & Ireland Limited group continued to deliver its services to the market without any disruption or decline in service levels.

Following the 2016 referendum, the UK formally withdrew from the EU on 31 January 2020 and entered an agreed transition period for the remainder of the year whilst a longer-term trading agreement was negotiated between the UK and European Union (EU). The transition period ended on 31 December 2020 and an agreement covering future trading arrangements was announced on 24 December 2020. However, financial services are not included in the agreement, and negotiations covering such services continue. This means that a degree of uncertainty remains regarding the future provision of services between the UK and the EU. The Euroclear UK & Ireland Limited group remains confident that the Company is well positioned to address any challenges and opportunities that may arise.

Results and dividends

The Company made neither a profit nor a loss during the current financial year or the preceding financial year. There were also no other gains and losses for the current financial year or the preceding financial year. Accordingly, neither a statement of comprehensive income nor statement of changes in equity has been presented.

The directors do not propose to pay a dividend in respect of the year ended 31 December 2020 (2019: £nil).

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

Creditor payment policy

The Company's policy on the payment of suppliers is to settle the terms of payment once all contractual terms have been observed. The Company has recorded no transactions in the year under review.

Going concern

After making enquiries, the directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Company has adequate resources to continue to operate for the foreseeable future. The assessment includes the future profitability of the Euroclear UK & Ireland Limited group. Following the COVID-19 pandemic and the resulting market volatility (see page 1), Euroclear UK & Ireland Limited have flexed their assessment on future profits and capital base under various market stresses and made additional assessments on operational resilience. Following these assessments, the directors continue to adopt the going concern basis in preparing the financial statements.

Directors

The directors of the Company who were in office during the year and up to the date of signing the financial statements were:

Christopher Elms	resigned 1 October 2020
Michael Carty	appointed 1 October 2020
Leanne Middleton	
Paul Miles	resigned 24 April 2020
Mark Sims	appointed 24 April 2020; resigned 28 February 2021

Jennifer Parker was Company Secretary throughout the year.

Employees

The Company has had no employees in the year under review (2019: none).

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

Statement of Directors' Responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors are required to prepare the group financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and with International Financial Reporting Standards (IFRSs) as issued by the IASB.

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 accounting estimates that are reasonable and prudent
- state whether applicable international accounting standards in conformity with the requirements of the Companies Act 2006 and the International Financial Reporting Standards as issued by the IASB have been followed, subject to any material departures disclosed and explained in the financial statements and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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 (the Act). 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.

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

Statement of disclosure of information to auditor

In accordance with the provisions of Section 418 of the Act, directors' reports shall include a statement, in the case of each director in office at the date the directors' report is approved, that:

- (a) so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware and
- (b) he 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 auditor is aware of that information.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

Independent auditor

Deloitte LLP acted as the Company's auditor during the year.

Deloitte LLP have expressed their willingness to continue in office as auditor and will be reappointed as the Company's auditor for the financial year beginning 1 January 2021, in accordance with section 485 of the Companies Act 2006.

Approved by the Board



MICHAEL CARTY

Director

13 April 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CREST DEPOSITORY LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion the financial statements of CREST Depository Limited (the Company):

- 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 international accounting standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the statement of cash flows;
- the accounting policies; and
- the related notes 1 to 11.

The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006 and IFRSs as issued by the IASB.

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 Financial Reporting Council's (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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CREST DEPOSITORY LIMITED (continued)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CREST DEPOSITORY LIMITED (continued)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the Company's industry and its control environment, and reviewed the Company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, internal audit, in-house legal counsel and those charged with governance about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the Company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements, including the UK Companies Act;
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team, including relevant internal specialists such as tax and IT specialists, regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CREST DEPOSITORY LIMITED (continued)

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, reviewing internal audit reports, and reviewing correspondence with HRMC and the Bank of England.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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 have been prepared in accordance with applicable legal requirements.

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 any material misstatements in the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

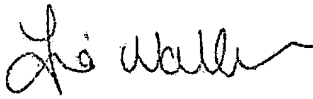
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law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

We have nothing to report in respect of these matters.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CREST DEPOSITORY LIMITED (continued)

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.



Fiona Walker, FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London

13 April 2021

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

There were no income or expense transactions during the year, therefore, a statement of comprehensive income is not presented.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

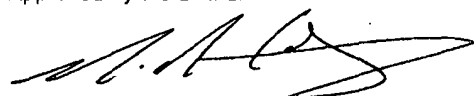
(£)	Note	2020	2019
Assets			
Non-current assets			
Investments	7	6	6
Total non-current assets		6	6
Current assets			
Cash and cash equivalents	8	7,000	7,000
Total current assets		7,000	7,000
Total assets		7,006	7,006
Equity			
Capital and reserves attributable to equity holders of the Company			
Called up share capital	10	7,000	7,000
Total equity		7,000	7,000
Liabilities			
Current liabilities			
Trade and other payables	9	6	6
Total current liabilities		6	6
Total equity and liabilities		7,006	7,006

There have been no cash movements for the year ended 31 December 2020, consequently no statement of cash flows has been presented.

The notes on pages 14 to 17 form part of the financial statements.

The financial statements on pages 10 to 17 were approved by the board of directors on 9 April 2021 and authorised for issue on that date.

Approved by the Board:



Michael Carty

Director

13 April 2021

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

There were no changes in equity during the year, therefore, a statement of changes in equity is not presented.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

There were no cash transactions or movements in cash during the year, therefore, a statement of cash flows is not presented.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. General Information

The principal activity of CREST Depository Limited during the year was the issuing of CREST Depository Interests (CDI's) representing international securities held by its subsidiary companies, CREST International Nominees Limited and CIN (Belgium) Limited, on behalf of the customers of Euroclear UK & Ireland Limited, its immediate parent company, which operates the CREST settlement system.

CREST Depository Limited is a private company, limited by shares, and is domiciled and incorporated in England and Wales. The address of its registered office is 33 Cannon Street, London, EC4M 5SB.

2. Accounting policies

(a) Basis of preparation

The financial statements of CREST Depository Limited have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and the International Financial Reporting Standards (IFRSs) as issued by the IASB.

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

The preparation of financial statements in conformity with the requirements of the Companies Act 2006 and IFRSs as issued by the IASB requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. The estimates and associated assumptions are based on historical experience.

In preparing the financial statements for the current year, consideration was given to new IFRS, both those that are effective at the year end and those that have been issued but are not effective at the year end, as well as amendments to IFRS and IFRIC IC interpretations. The following standards, IFRIC and amendments to standards became effective on 1 January 2020:

- amendments to IFRS 3: Definition of a business
- amendments to IAS 1 and IAS 8: Definition of Material
- amendments to IFRS 9, IAS 39 and IFRS 17: Interest Rate Benchmark Reform
- amendments to References to the Conceptual Framework in IFRS Standards

The adoption of these new standards and amendments had no impact on the entity's financial statements.

The adoption of the following standards, IFRIC and amendments that became effective on 1 June 2020 had no impact on the entity's financial statements:

- amendments to IFRS 16: Covid-19 Related Rent Concessions

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

2. Accounting policies (continued)

(a) Basis of preparation (continued)

The following new amendments to standards will be applied for financial years commencing on 1 January 2021.

- IFRS 17: Insurance Contracts
- amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 & IFRS 16: Interest Rate Benchmark Reform – Phase 2

The directors do not expect that the adoption of the Standards listed above and all other IFRSs not yet adopted will have a material impact on the entity's financial statements.

After making enquiries, the directors have formed a judgement that there is a reasonable expectation that CREST Depository Limited has adequate resources to continue to operate for the foreseeable future (see pages 1 and 2). For this reason, the directors continue to adopt the 'going concern' basis in preparing the financial statements.

The principal accounting policies applied in the preparation of these financial statements are set out below. Unless otherwise stated, these policies have been consistently applied to all the years presented.

(b) Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the normal course of business. Accounts payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade and other payables are initially recognised at cost and subsequently measured at fair value.

(c) Related party transactions

There were no transactions with related parties during the year ended 31 December 2020 (2019: £nil).

(d) Investments in subsidiary undertakings

In accordance with the requirements of IAS 27 'Consolidated and Separate Financial Statements', investments in subsidiaries are recognised and subsequently measured at cost.

(e) Critical accounting estimates and judgements

There were no critical accounting estimates and judgements applied in the preparation of these financial statements.

(f) Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at fair value. For the purposes of the cash flow statement, cash and cash equivalents comprise balances including: cash on hand; deposits held on call with banks; and other short-term, highly liquid investments which are subject to insignificant risk of change in fair value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

3. Statement of comprehensive income and statement of changes in equity

The Company has made neither profit nor loss for the year or the previous year, and so no statement of comprehensive income or statement of changes in equity has been prepared.

Audit fees are borne by the controlling entity, Euroclear UK & Ireland Limited and are not recharged to the Company.

4. Statement of cash flows

There have been no cash movements for the year ended 31 December 2020 (2019: £nil), consequently no statement of cash flows has been presented.

5. Directors' emoluments and key management compensation

The Board considers key management personnel to include the directors of both the Company and the immediate parent company. The Company paid no emoluments to the directors or key management personnel in the year ended 31 December 2020 (2019: £nil).

The emoluments of the directors are paid by the parent company which makes no recharge to the Company. The directors are considered key management personnel of the parent company and are directors of a number of fellow subsidiaries. It is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries. Accordingly, details of emoluments in respect of the directors have not been provided. The total emoluments are included in the aggregate of key management personnel's emoluments disclosed in the financial statements of the parent company.

6. Employees

There were no employees employed by the Company during the year ended 31 December 2020 (2019: None).

7. Investments

(£)	Holding Equity Shares*	Cost of investments	
		2020	2019
CREST International Nominees Limited	100%	2	2
CREST Client Tax Nominee (No.1) Limited	100%	2	2
CIN (Belgium) Limited	100%	2	2
Total investments in subsidiaries		6	6

*All subsidiary shareholdings are holdings of ordinary shares.

In the opinion of the directors the market value of the investments has not fallen below cost.

All the subsidiary companies operate and are incorporated in England and Wales. The registered office of all the subsidiary companies is 33 Cannon Street, London EC4M 5SB.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

7. Investments (continued)

The principal activities of CREST International Nominees Limited and CIN (Belgium) Limited are to act as nominee companies holding securities on behalf of the customers of Euroclear UK & Ireland Limited in relation to its provision of custodial services.

CREST Client Tax Nominee (No.1) Limited did not trade during the year.

Each of the subsidiary companies is 100% owned and is registered in England and Wales.

8. Cash and cash equivalents

(£)	2020	2019
Cash at bank and in hand	7,000	7,000

9. Trade and other payables

(£)	2020	2019
Amount due to subsidiary companies	6	6

10. Called up share capital

(£)	2020	2019
Allotted and unpaid share capital:		
7,000 (2019: 7,000) Ordinary shares of £1 each	7,000	7,000

11. Ultimate parent and controlling entity

The Company is a wholly owned subsidiary of Euroclear UK & Ireland Limited, which is incorporated in England and Wales and is both the immediate parent company and the controlling entity.

Euroclear Holding SA/NV is the ultimate parent entity, which is incorporated in Belgium.

The largest group in which the results of Euroclear UK & Ireland Limited and its subsidiaries are consolidated is that of Euroclear Holding SA/NV. The smallest group in which the results of Euroclear UK & Ireland Limited and its subsidiaries are consolidated is that of Euroclear SA/NV.

The registered office of Euroclear Holding SA/NV and Euroclear SA/NV is 1 Boulevard du Roi Albert II, 1210 Brussels, Belgium. Copies of the Euroclear Holding SA/NV group financial statements and the Euroclear SA/NV financial statements can be obtained from this address.