

CREST Client Tax Nominee (No.1) Limited

Directors' Report and Financial
Statements for the year ended
31 December 2021
(Unaudited)



Registered Company Number: 03786271

CREST Client Tax Nominee (No.1) Limited (Registered Company Number: 03786271)

Directors' Report and Financial Statements – Year ended 31 December 2021

TABLE OF CONTENTS

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021	1
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021	4
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021	5

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors submit their report and the unaudited accounts of CREST Client Tax Nominee (No. 1) Limited (the Company) for the year ended 31 December 2021. The Company 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.

Principal activities and risks

The Company did not trade during the current financial year or the preceding financial year and made neither a profit nor a loss. There were also no other gains and losses for the current financial year or the preceding financial year. Accordingly, neither an income statement nor a statement of comprehensive income has been presented. 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 & International Limited (formerly Euroclear UK & Ireland Limited). The principal risks and future developments of the Company have been assessed and monitored as part of its participation in the Euroclear UK & International Limited group (the Group).

The previous year saw the emergence and world-wide spread of the COVID-19 Coronavirus which quickly evolved into a global pandemic. The Group, together with the wider Euroclear group, invoked remote home-working for the majority of functions 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 Group continued to deliver its services to the market without any disruption or decline in service levels.

As the scale and severity of the pandemic grew over the course of the year, the Group continued to operate remote working and this remained largely in place for much of 2021. The Group monitors employee sickness and broader employee wellbeing and, whilst there have been, and continue to be a small number of cases of COVID-19 sickness amongst employees, this has remained well within levels accommodated within normal resource planning.

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 Russian invasion into Ukraine has caused widespread humanitarian suffering as well as impacted Financial Services. There are 3 resulting areas of risk the Group faces as an organisation in 2022, namely Process, Security and indirectly People. Staff wellbeing is our priority and the HR team has been communicating with staff and providing support and guidance for anyone affected by the events. The numerous executive orders and measures cascaded down from US, UK, EU authorities have far reaching effects and the Group has processes in place to identify, assess and implement specific Sanctions where relevant. The

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

greatest risk to the Group as Financial Market Infrastructure (FMI) sits within potential cyber attacks, be that a direct attack on our own IT infrastructure or via a 3rd party. The Group's Chief Information Security Officer continues to work with our IT teams as well as our service provider to ensure necessary measures to protect our security and mitigate risk, are being taken.

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 & International Limited group over a period of 5 years. Euroclear UK & International 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 the signing of the financial statements were:

Michael Carty

Leanne Middleton

Christopher Elms appointed 12 April 2021

Mark Sims resigned 28 February 2021

Jennifer Parker was Company Secretary throughout the year.

Financial Instruments

The Company has no financial instruments and there is therefore no exposure to price risk, credit risk, liquidity risk and market risk.

Post Balance Sheet Events

The non-adjusting post balance sheet event arising from the Russian invasion into Ukraine is discussed in note 9 on page 8 of the financial statements.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 (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 the United Kingdom adopted 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 United Kingdom adopted 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.

The directors have taken advantage of the small company exemptions as permitted by the Act.

By Order of the Board



MICHAEL CARTY

Director

29 March 2022

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

(£)	Note	2021	2020
Non-Current assets			
Trade and other receivables	6	2	2
Total assets		2	2
Equity			
Capital and reserves attributable to equity holders of the Company			
Called up share capital	7	2	2
Total equity and liabilities		2	2

For the year ending 31 December 2021 the Company was entitled to exemption from audit under section 480 of the Act relating to dormant companies.

Directors' responsibilities:

- The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Act
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

There have been no cash movements for the year ended 31 December 2021, consequently no statement of cash flows has been presented.

The notes on pages 5 to 8 form part of the financial statements.

The financial statements on pages 4 to 8 were approved by the board of directors on 29 March 2022 and authorised for issue on that date.

By Order of the Board:



MICHAEL CARTY

Director

29 March 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

During the year ended 31 December 2021 the Company has not traded, has not incurred any liabilities and consequently has made neither profit nor loss. None of the directors received any emoluments in respect of their services to the Company.

CREST Client Tax Nominee (No.1) 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 Client Tax Nominee (No 1) Limited have been prepared in accordance with United Kingdom adopted 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 and adopted by the United Kingdom.

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

The preparation of financial statements in conformity with the United Kingdom adopted international accounting standards, 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. There are no new IFRS or amendments to existing IFRS and IFRIC IC interpretations which apply to the Company for the year under review.

After making enquiries, the directors have formed a judgement that there is a reasonable expectation that CREST Client Tax Nominee (No 1) Limited has adequate resources to continue to operate for the foreseeable future. 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

2. Accounting policies (continued)

(b) Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed determinable payments that are not quoted in an active market. A financial asset is classified and measured at amortised cost if it is not designated as FVPL, and if it meets both of the following conditions: it is held for collection of contractual cash flows (held to collect) and its contractual terms give rise to cash flows that represent SPPI. They are initially recognised in the balance sheet on the settlement date at fair value. They are subsequently measured at amortised cost using the effective interest method.

For trade receivables with no significant financing component, a simplified approach requiring the recognition of lifetime expected credit losses (ECLs) at all times applies. The expected credit losses on these assets are collectively assessed and estimated using a provision matrix based on the Euroclear group's historical credit loss experience. Macro-economic factors are not considered as historical observations show that they are irrelevant. ECLs are based on the age of the receivables. If all or part of a client's receivable is confirmed as being irrecoverable, the value of that receivable will be reduced accordingly.

(c) Related party transactions

There were no transactions with related parties during the year ended 31 December 2021 (2020: £nil).

An amount of £2 relating to unpaid share capital was owed to the Company by CREST Depository Limited at 31 December 2021 (2020: £2).

(d) Critical accounting estimates and judgements

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

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.

4. Statement of cash flows

There have been no cash movements for the year ended 31 December 2021 (2020:£nil), consequently no statement of cash flows has been presented.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)**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 2021 (2020: £nil).

The emoluments of the directors are paid by Euroclear UK & International Limited 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 Euroclear UK & International Limited.

6. Trade and other receivables

(£)	2021	2020
Amount due from parent company	2	2

The carrying value of trade receivables is considered a reasonable approximation of fair value and ECL at nil value. All Amounts owed are unsecured and non-interest bearing and repayable on demand.

7. Called up share Capital

(£)	2021	2020
Allotted and unpaid share capital:		
2 (2020: 2) Ordinary shares of £1 each	2	2

8. Ultimate parent and controlling entity

The Company's immediate holding company is CREST Depository Limited which is a 100% subsidiary of Euroclear UK & International Limited, the controlling entity, which is incorporated in England and Wales.

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

9. Post Balance Sheet Events

The Russian invasion into Ukraine in February 2022 has caused widespread humanitarian suffering as well as impacted Financial Services. The consequences to the Company of this have been discussed further on page 1 to 2. The Company is closely monitoring the situation and the medium to long term impact to the Company and to the wider marketplace continues to be uncertain. The Company does not consider there to be a material impact to its financial statements at 31 December 2021 and is a non-adjusting post balance sheet event.